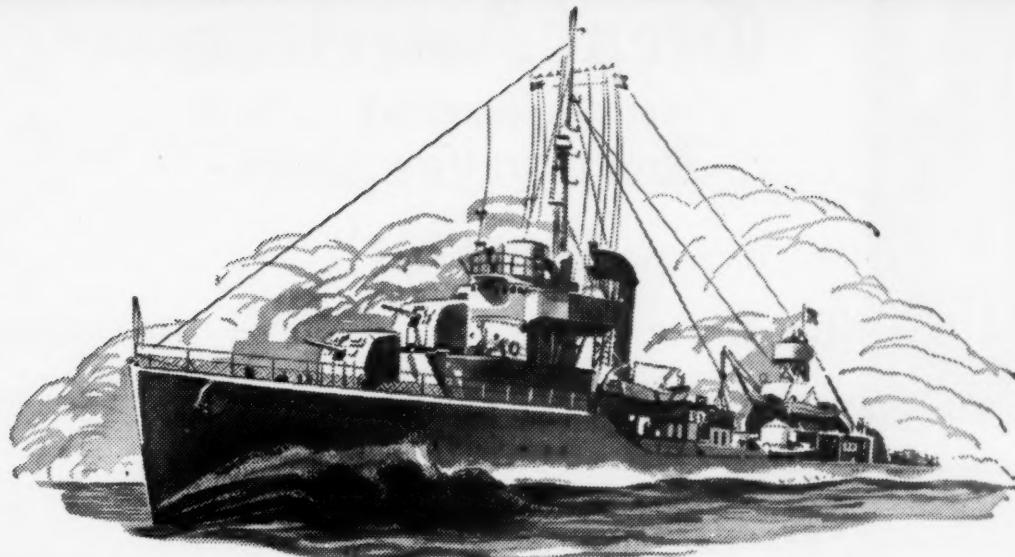


The NATIONAL UNDERWRITER



VIGILANCE...*The Price of Victory*

As the country's war effort swings into high gear it becomes increasingly evident that its physical assets such as homes, factories, equipment and supplies must be conserved and protected if the maximum production of planes, tanks, ships and guns for our armed forces is to be obtained.

To this end the Fire Association Group pledges its fullest efforts to prevent fires and other disasters. When, in spite of these efforts, fires do occur, the Fire Association Group makes prompt settlement of all honest claims so that operations may be speedily resumed.

It is natural for the Fire Association Group to have this as an objective—for the roots of its organization literally spring from Vigilance. One hundred and twenty-four years ago eleven volunteer fire-fighting companies and five volunteer hose companies, bearing such names as VIGILANT, HAND-IN-HAND, GOOD

INTENT, DILIGENT, RELIEF, SOUTHWARK, GOOD HOPE and other equally colorful titles formed the Fire Association of Philadelphia, first serving Philadelphia and gradually extending its operations to include the entire country.

Indeed, during the first fifty-four years of its existence, Fire Association acted in the dual capacity of a fire-fighting organization and a fire insurance company. Familiarly known as the "Old Plug," originals of the Association's fire mark, pictured below, may still be seen on each building of the Independence Hall group, on Carpenters' Hall and on many other historic Philadelphia structures.

Copy of detailed annual report for 1941 of each or all of the companies comprising the Fire Association Group will gladly be supplied upon request.

FIRE ASSOCIATION GROUP

OTHO E. LANE, President

HEAD OFFICE: 401 WALNUT STREET, PHILADELPHIA

FIRE, MARINE AND AUTOMOBILE INSURANCE

Established 1817

FIRE ASSOCIATION of Philadelphia

Total Admitted Assets . . . \$25,406,175
Surplus to Policyholders . . . \$10,090,750

Established 1841

THE RELIANCE Insurance Co. of Philadelphia

Total Admitted Assets . . . \$4,334,357
Surplus to Policyholders . . . \$2,588,265



Established 1875

LUMBERMEN'S Insurance Company

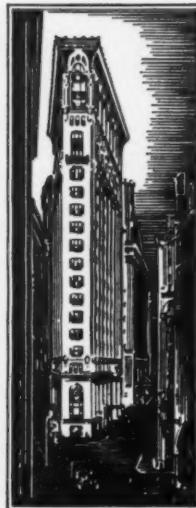
Total Admitted Assets . . . \$5,658,416
Surplus to Policyholders . . . \$3,058,714

Established 1928

PHILADELPHIA NATIONAL Insurance Company

Total Admitted Assets . . . \$3,152,955
Surplus to Policyholders . . . \$2,161,314

THURSDAY, FEBRUARY 26, 1942



FIRE • MARINE • CASUALTY • SURETY

Great American Group of Insurance Companies New York

NEW YORK • CHICAGO • MONTREAL • SAN FRANCISCO
AGENTS EVERYWHERE

GREAT AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1872

GREAT AMERICAN INDEMNITY COMPANY

NEW YORK, N. Y. • Incorporated 1926

AMERICAN ALLIANCE INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1897

ROCHESTER AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1928

DETROIT FIRE & MARINE INSURANCE COMPANY

DETROIT, MICH. • Incorporated 1866

MASSACHUSETTS FIRE & MARINE INSURANCE COMPANY

BOSTON, MASS. • Incorporated 1910

THE NORTH CAROLINA HOME INSURANCE COMPANY

RALEIGH, N. C. • Incorporated 1868

COUNTY FIRE INSURANCE COMPANY OF PHILADELPHIA

PHILADELPHIA, PA. • Incorporated 1832

THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

COLUMBUS, O. • Incorporated 1914

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President, Great American Insurance Company and Affiliated Companies

JESSE S. PHILLIPS New York City
Vice-President, Great American Insurance Com-
pany. Formerly Superintendent of Insurance
of New York

HOWARD C. SMITH New York City
Estate Trustee

MAURICE J. SULLIVAN New York City
President, American Can Company

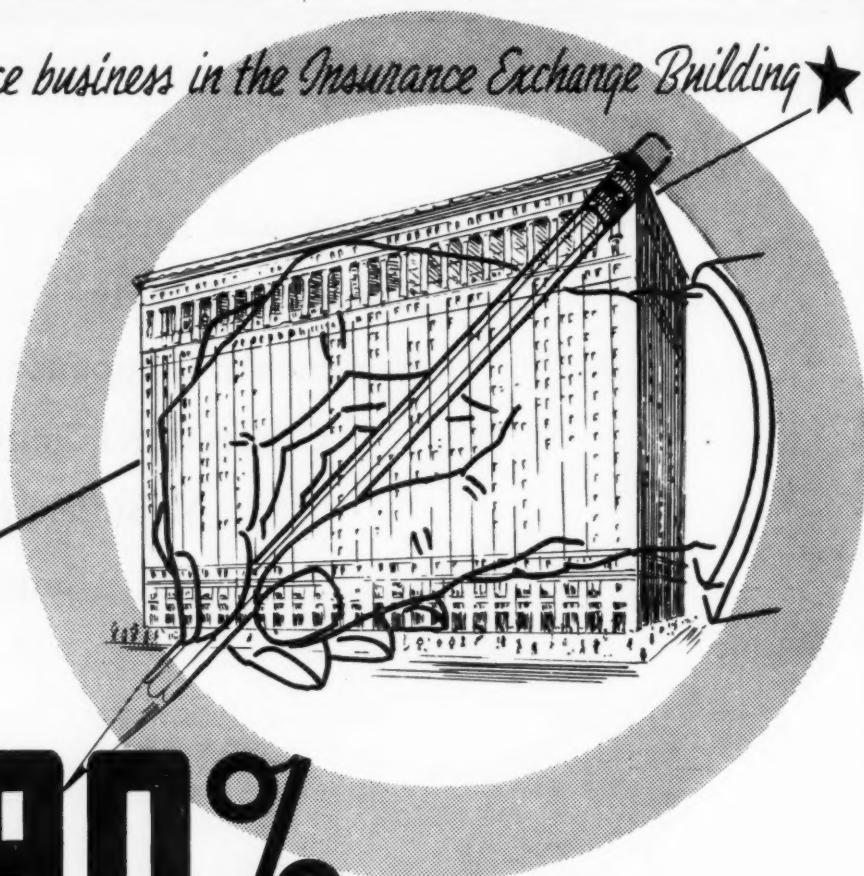
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President, The Baltimore & Ohio Railroad Co.

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Automobile**Owners', Landlords' and Tenants'****Comprehensive Liability****Workmen's Compensation****Owners' and Contractors' Protective****Manufacturers' and Contractors'****Employers' Liability****Personal Liability****Garage Liability****Contractual****Elevator****Products****BROADEST COVERAGE****COMPREHENSIVE CONTRACTS****AUTOMOBILE AND GENERAL CASUALTY***"In the American Auto manner"***NATIONWIDE BRANCH OFFICE FACILITIES**

ATLANTA • BALTIMORE • BOSTON • CHICAGO • CINCINNATI • CLEVELAND • DETROIT
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The NATIONAL UNDERWRITER

Forty-sixth Year—No. 9

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 26, 1942

\$4.00 Year, 20 Cents a Copy

Canadians Reject Move to Suspend Rates and Rules

C. U. A. Resolution Indicates Further Cuts in Tariff Rates to Be Made

TORONTO.—In connection with the special meeting of the Canadian Underwriters Association, which was held in Montebello, Que., to discuss rates and the resignation of leading groups of companies, the C.U.A. has issued the following statement:

"In accordance with its established policy of reducing fire insurance rates whenever the loss experience justifies such decreases, the Canadian Underwriters Association at a special general meeting at Montebello, Que., extending over three days, has considered whether and to what extent existing rates in the province of Quebec and Ontario, respectively, can be reduced.

Finds Reduction Indicated

"Although complete figures showing fire losses in these provinces in 1941 are not yet available the association is of the opinion that as a result of the loss experience during the last five years further rate reductions can now be made, and these will be additional to the extensive decreases made since 1938.

"In conformity with this opinion and in order to expedite procedure the association appointed standing committees in Montreal and Toronto to deal with rates, rules and coverages. These committees have full power to introduce whatever changes in fire insurance rates, rules and coverages in the provinces of Quebec and Ontario they consider warranted. The committees are empowered to promulgate these changes as and when made.

Retain Rates and Rules

"Incidental to the withdrawal of a member company a motion calling for the suspension of rates and rules in Quebec and Ontario was introduced. The motion was unanimously rejected because member companies felt that the adoption of such a resolution would seriously impair sound underwriting practices which are so closely related to the protection given the insuring public.

Attitude of Agents

"The meeting received and acknowledged a memorandum from the Canadian Federation of Insurance Agents which, in part, read: 'It is the firm conviction of this federation that an organized underwriting organization has a stabilizing effect and a good influence upon the insurance business generally, and it is therefore in the public interest that its maintenance should be assured, particularly when we are all engaged in a total war effort.'

California Pact on Auto Fleets Ready

Companies and Commis- sioner Expected to Concur, April 1 Is Tentative Date

SAN FRANCISCO.—An agreement ending fictitious fleets in California and otherwise clearing up the automobile situation has been prepared by the committee of 19, representing 346 stock fire and casualty companies, organization and unaffiliated, and sent to the companies by Commissioner Caminetti. A meeting will be held March 11 in the commissioner's office at which any objections to the agreement may be voiced.

It is expected here that all the companies will sign. There is a provision for a similar agreement by non-stock carriers, to the extent that the commissioner deems this necessary.

Freeze Rating Plans

The important part of the agreement is that each subscribing company will not use any automobile manual which "makes any unfair or unreasonable discrimination between risks in the state of California of the same class and involving the same hazard, nor deviate from its filed manual in writing such risks." A definition made part of the agreement states that automobiles owned by employees of an assured may not be considered in fleet rating and may be written only at the manual rate applicable to a person not so employed.

Subscribing companies would also agree not to file or adopt any new occupational or other group rating plan effective before July 1, 1943.

Exception on Collision

The agreement permits uniformly applicable discounts on collision rates to members of motor clubs qualified for service under the law. It also permits classification of trucks according to use.

The compact, if approved, will become effective April 1. It is to run to Jan. 1, 1945 and from then in two year periods. A subscribing company may withdraw by giving notice between 90 and 120 days before the end of each period. The periods are automatically reduced to one year if the California legislature adopts annual sessions. The agreement contains detailed provisions for filing rule and rate changes and their effective dates.

Need 75 Percent Approval

Changes may be made in the agreement by approval of 75 percent of the signing companies and the commissioner. It may also be terminated under the same conditions. It provides for a committee of 10 representatives of the carriers, presumably including non-stock carriers if they enter into a similar agreement, to assist the commissioner in an advisory capacity.

The fictitious fleet issue has been a stormy one in California and the influx of workers for aircraft and other war industries intensified it. A bill on the subject was presented to the state legislature last session, but finally

Biddle Says He Will Aid Mo. in Anti-Trust Move

The chances of Attorney-general McKittrick obtaining the aid of the U. S. department of justice in its anti-trust fight against the fire insurance companies that figured in the compromise of the rate litigation in 1935, were greatly improved this week, when U. S. Attorney-general Biddle in his press conference stated that he had given assurances of full cooperation to McKittrick.

In response to questions put by reporters for St. Louis and Kansas City newspapers, Biddle stated there is a strong probability of federal action against the companies as a result of the evidence brought to light by the investigation of Missouri's attorney-general. But no specific recommendation has been made by Biddle to his anti-trust division.

Santa Barbara Shelling Doesn't Spur War Risk Sales

LOS ANGELES.—Demand for war risk indemnity, following the shelling of oil fields north of Santa Barbara, Cal., has not shown much of an increase. Best estimates from the two companies writing the line is that not more than an additional 10 percent of applications have been received. Rhode Island and General of Seattle are the only companies writing the line. Rates are at 50 cents for dwellings, 82 cents fire proof mercantile and \$1.28 for ordinary mercantile construction, with oil wells and similar risks specifically rated, all on one year non-cancellable basis. Several of the larger oil companies are carrying the line on their regular schedules.

Interest in the line is more prevalent in the northern part of the state and Oregon and Washington, with San Francisco writing the business. A rough estimate of the annual premium income on the line on the coast is \$1,000,000.

failed to pass. Mr. Caminetti had an investigation of company practices on this matter under way, but withdrew it in favor of voluntary action by the companies.

The agreement is reported to have the backing of the agents' and brokers' organizations.

U. S. Chamber Will Meet in Chicago

The U. S. Chamber of Commerce will hold its annual meeting this year at the Stevens Hotel in Chicago, April 27-30. The insurance section will have a special meeting one day of convention week.

Manager T. F. Cunneen of the insurance department states that the insurance program for the annual meeting has not yet been passed upon by the program committee.

Federal Agency Now Enters Cargo War Risk Field

War Shipping Adminis- tration Makes Move—Must Submit Each Risk

NEW YORK—Comparison of the cargo war risk rates for seven ocean routes issued this week by the federal War Shipping Administration with those of the American Cargo War Risk Reinforcement Exchange indicates that shippers may prefer to stick with the private insurers unless the rate advantage offered by the government is considerably increased.

Representative shippers here said it was too early to tell whether the differentials between the private rates and the government rates which were announced this week would be sufficient to offset the inconvenience resulting from having to submit each risk separately and the possible complications due to having war risk handled by one insurer and the marine coverage by another. A great convenience of the commercial war risk insurance is that voyages listed in the rate schedule are covered under open policies and it is not necessary to make a separate transaction out of each shipment. Other advantages are that the private carriers can exercise greater leeway in handling losses than could be reasonably expected of a government agency.

Helps Large Shippers

On the other hand shippers making a few large shipments may find the relatively small differential between government and private rates worth while. A complication however would be the necessity of making absolutely sure that the shipment was going by an American flag vessel, since the government insurance does not cover shipments on vessels of other nationalities. While a cargo may be scheduled to sail on a certain ship there is always the chance that because of wartime urgency it may be delayed and go on another vessel not necessarily American.

All these factors will be weighed by shippers in deciding between the private and the government war risk markets. The problem would of course be much easier to solve if the administration came out with a drastically lower scale of rates. It is seeking legislation that would permit it to do this, setting whatever rates appear to be necessary in the interest of the war effort and the national economy. At present the law permits the war shipping administration to issue war risk insurance only when it finds that this insurance is not available on reasonable terms in the commercial market.

Since that is the only basis on which the war shipping administration can issue war risk coverage the implication of

(CONTINUED ON PAGE 11)

War Damage Bill Sent to House Floor for Action

Commissioner Sullivan of Washington Deplores Failure of Insurers to Act

WASHINGTON—The house rules committee has approved and sent to the floor for action the War Damage Corporation bill, under which the RFC subsidiary will provide protection on civilian property against damage by enemy action.

Approval by the rules committee of the bill, already passed by the senate, was given over the protest of members of the house who expressed opposition to the allegedly arbitrary way in which administration officials are acting first and then asking Congressional approval.

The corporation was set up by Loan Administrator Jesse H. Jones in December, but no legislation authorizing its operations was asked until the new session convened in January.

There were no indications, however, that any determined fight would be made against the bill when it reaches the floor of the house, where it is expected to be approved, with a possible amendment prohibiting the "free" insurance originally contemplated and requiring that property owners pay reasonable premiums for the protection which is to be offered.

VIEW OF W. A. SULLIVAN

HARTFORD—If it does not undertake to provide bombardment insurance for the public, the insurance business will be offering the federal government another fine opportunity to usurp the functions of private industry, in the opinion of William A. Sullivan, insurance commissioner of the state of Washington, who was the guest of Hartford insurance officials at a luncheon here.

Mr. Sullivan was in Hartford for a conference with Connecticut Commissioner Blackall, who was also a guest at the luncheon.

"Bombardment insurance is the most important problem now confronting the insurance industry, and it is no mean one for the insurance commissioners of the country," Mr. Sullivan said. "The insurance industry is better qualified and equipped to handle this protection than the government. It has the men skilled in underwriting; it has the machinery to handle the business, and can do the job more efficiently than the government.

Views of Coast Officials

"I believe I express the sentiment of the 14 insurance commissioners of the Pacific Coast states, whom I represent on the executive committee of the National Association of Insurance Commissioners, when I say that the established industry should undertake the handling of this war risk."

Mr. Sullivan suggested that the industry could handle the risk itself, by employing the proposed government lend-lease corporation insurance fund of one billion dollars as a reinsurance fund. The Wagner bill carrying the billion dollars is now pending in Washington.

"If the insurance companies would take 25 percent of their surplus funds and set up a pool for the writing of risks, there would be a fund of about \$400,000,000, which, with premiums coming in, would make for good protection," he said.

The hazards, of course, would be greatest along the Atlantic and Pacific coasts, where, the commissioner feels,

Outlines Chicago Enforcement Plan

Parker Makes Appeal for Board Members to Hit Sawdust Trail

R. A. Parker, manager of the Chicago Board, received a spontaneous and prolonged ovation from the large number that attended the meeting of the board that was called to inform the members in greater particular of the plans for stepping up the enforcement work. Mr. Parker made a most impressive appeal to the agents and company men to hit the sawdust trail and bring their practices into conformity with the regulations. The audience appreciated that this was not just another preaching but that the time for action had arrived. The Chicago Board at its recent annual meeting voted to divorce itself from rating activities which will hereafter be exclusively a company responsibility and at the same time approved a program for serious enforcement of the rules.

Mr. Parker cited with emphasis the observations made earlier in the same week by Insurance Director Jones of Illinois in his address before the annual meeting of the Insurance Federation of Illinois. Mr. Jones appealed to the business to set its house in order, to do those things which its leaders know ought to be done. Unless the business itself exercises restraints and self discipline, Mr. Jones predicted that there could be no stemming the tide of more regulation, more laws, more supervision and that such a course is on the road to national socialism.

Mr. Parker implored his audience to recognize the consequence of continued cheating, else the public through the government will charge the business with giving shortweight and proceed to institute controls that may be no less onerous than those imposed on the securities markets.

Mr. Parker made his appeal on the basis of trying to make his audience understand that they should act voluntarily in their own self interest, but he also gave an idea of what the members could expect if they decided to play fast and loose. He said that the investigators will work in teams of two, one being an experienced underwriter and the other an accountant. Mr. Parker said that he is familiar with practically all of the subterfuges that have been practiced and that the board knows exactly for what to look. The new enforcement

there are "great possibilities" of bombardment from the air.

Mr. Sullivan was welcomed to Connecticut by Seaborn T. Whatley, vice-president of Aetna Life, who was representing the life people. W. Ross McCain, president of Aetna Fire, spoke at the luncheon on behalf of the local fire insurance men.

THIS WEEK IN INSURANCE

War Shipping Administration now enters the field of **war risk cargo insurance**. Page 3

Canadian Underwriters Association decides against suspending rules and rates. Page 3

U. S. Attorney-general Biddle indicates that he will give "full cooperation" to Attorney-general McKittrick of Missouri in his **anti-trust action against the fire insurance companies**. Page 3

California agreement **outlawing fictitious automobile fleets** sent to companies for signature. Page 3

Felix Hargrett of the Home expresses **serious concern over fire losses** as detriment to U. S. war effort in talk before the Southern Safety Conference. Page 5

War Damage Corporation bill receives approval of house rules committee and is now on the floor for action. Page 4

Geisler a V.-P. of James & Co.

Fred S. James & Co., Chicago, has elected E. Walter Geisler, for the past 10 years manager at its Pittsburgh branch office, a vice-president of the company.

Mr. Geisler joined agency on graduation from Armour Institute, as an inspector 20 years ago. He attended Armour Institute on one of the last four year scholarships awarded by the Fire Underwriters Association. He was in charge of the Northwest, of the agency's engineering department for several years, in addition to other important assignments such as rating research and activity incident to the "all-risk" coverage for bridges in which the agency was a pioneer.

E. W. Geisler

Pittsburgh Manager 10 years

Mr. Geisler went to Pittsburgh as manager when Fred S. James & Co. opened its branch office there, and during his administration the office has become an important one in western Pennsylvania. He is a recognized authority on fire, industrial liability and river marine coverages.

Mr. Geisler is prominent in Pittsburgh insurance and civic activities. He is a director of the Pittsburgh Association of Insurance Agents, and chairman of its agreement and civilian defense committees. He was chairman of the successful recent defense rally for the Pittsburgh insurance area. He is a member of the Pittsburgh Insurance Club.

forcement program is to be pursued with the utmost intentness. The names of all the class 1 agents will be put into a bowl, shuffled and then the investigators will visit the agencies in the order in which their names are drawn out.

There were a number of questions asked, one being the attitude of the board towards insurance companies investing in building and loan shares or making mortgages as a means of getting fire insurance business. Mr. Parker replied that if such an arrangement is not consonant with the regular investment procedure of the company and if it is obviously done to get business it will be regarded as an improper inducement and a violation of the rules.

The new enforcement program is due to commence March 1, but Mr. Parker announced that this week he will notify those companies that have four class 1 agencies in the city and a company counter that they must eliminate one of the agencies, as a company counter is the equivalent of an agency under the rules.

Licenses of five St. Louis agents and brokers which had been suspended due to testimony at Union Electric Company trial are now reinstated and the suspension remains only against Mason Miller and Carl S. Lawton. Page 4

Fiftieth anniversary of the **Western Factory of Chicago** was observed at the annual meeting this week. Page 5

Tire companies campaign seeks to head off large-scale **lily-up of passenger cars**. Page 21

Many N. Y. truck renters **risk right to drive** under new financial responsibility law. Page 19

Jesse Randall of Travelers gives highly significant message on safety activity at Southern Safety Conference in New Orleans. Page 19

Travelers has issued its 1942 book dealing with **street and highway accident data**. Page 19

Licenses of Five St. Louis Men Are Restored

Suspension, in Union Electric Case, Remains Only Against Two

Superintendent Scheufler of Missouri last Friday withdrew his order temporarily suspending the agents and brokers licenses of Robert J. O'Brien, head of the Robert J. O'Brien agency, St. Louis, and Phelim O'Toole, former city excise commissioner and alderman for St. Louis and now head of his own real estate and insurance agency and the broker's license of former State Senator McMillan Lewis, a broker registered with W. H. Markham & Co., St. Louis. Earlier in the week he had lifted the suspension of the licenses of William Byrne, chairman, and T. L. Farrington, a vice-president of Lawton-Byrne-Bruner agency of St. Louis.

These men were among the seven whose licenses had been temporarily suspended as the result of testimony given in the government's case against Louis H. Egan, former president of the Union Electric Company of Missouri, and the utility on charges of conspiring to violate the corrupt practices section of the public utility holding company act. Egan and the utility were found guilty.

Testimony at Trial

There was testimony that the utility received some \$90,000 through favorable experience ratings on certain types of insurance. It was also brought out that some of its insurance business was divided among agents and brokers who presumably had some political influence. There was no testimony that any commission had been paid to a person not licensed as either an insurance agent or broker. Nor was it developed that there had been any violation of the Missouri laws covering rebating on fire insurance.

Neither Mr. Byrne nor Mr. Farrington had been mentioned in connection with the Union Electric business.

The suspension order continued in effect only against Mason Miller, a vice-president of Lawton-Byrne-Bruner, who personally handled the bulk of the Union Electric's insurance and Carl S. Lawton, president and general manager of the agency who had been one of the witnesses at the trial.

In lifting his suspension order against O'Brien, O'Toole and Lewis, Superintendent Scheufler said: "Upon further investigation, I have today lifted the temporary suspensions on R. J. O'Brien, McMillan Lewis and Phelim O'Toole, pending the hearing of March 4, 1942, or such time as circumstances or necessity may require such hearing to be held."

All seven men will be required to appear in Jefferson City March 4, at which time they had been directed to show why their licenses should not be revoked permanently, according to L. W. Byars, deputy superintendent.

However, there is a possibility that the hearings may not be held March 4, since in his statement concerning the lifting of the suspension order against O'Brien, O'Toole and Lewis, Mr. Scheufler said the hearings would be held on that date "or such time as circumstances or necessity may require the hearings to be held."

Early last week Mr. Scheufler con-

(CONTINUED ON PAGE 15)

Fire Protection Is Vital to War Effort

Hargrett Hits Recent Big Losses as Blows to U. S. Power

NEW ORLEANS—Because America can win the war only by winning first the battle of production, Felix Hargrett, secretary of Home of New York, strongly scored passive defense efforts

in his talk before the Southern Safety Conference here on "Fire Prevention and Protection During War."

"We can waste nothing that goes into production—manpower, time, or machines," he said. "We cannot complacently shift responsibility to the government, to the army and to the navy."

An extremely sober view of the "Normandie" loss, the fire in the new hotel in

Washington, and the destruction of huge rubber stocks at Fall River, Mass., was presented by Mr. Hargrett. The "Normandie" fire he termed due to "monumental carelessness, incredible laxity, unbelievable negligence."

Course of "Normandie" Fire

The "Normandie" fire started with nothing serious, only a spark or two dropping at the wrong place, he said. A welder was operating an acetylene torch to cut through four steel stanchions on the promenade deck. Three had been cut down. The fourth was partially surrounded by a large number of burlap-covered bales said to contain kapok-filled life-preservers. A foreman in charge had ordered the bales to be removed. The testimony is that they were removed only two or three feet. The welder who operated the torch stated that his body, as he worked, touched the pile of bales.

The stanchion had not been completely cut when one of the bales caught fire. The flames spread from bale to bale with great rapidity. A score of workmen attempted to stamp out the flames, but were forced back by the smoke and fire. The one fire hose immediately at hand was turned on, but testimony says the pressure was so weak that the stream carried only about ten feet. The fire unchecked soon gained great headway.

Because of this fire more Americans will die, he said.

The Washington hotel fire ruined columns, girders, and beams that are hard to come by these days. Many people want structural steel but few get it. The army and navy need it badly, and so do those who are turning out tanks and planes. Invaluable material and time were lost.

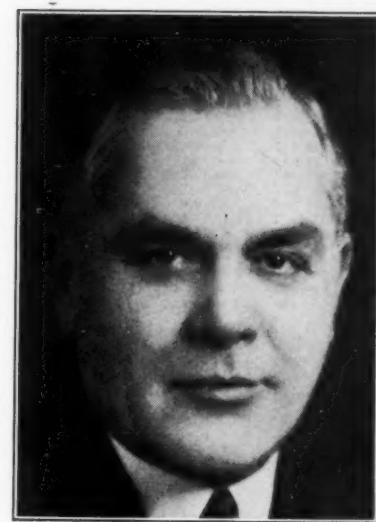
Fall River Fire

The Fall River, Mass., fire destroyed enough crude rubber to have made 7,000,000 tires, Mr. Hargrett said. The direct monetary loss of \$11,000,000 was serious enough, but every pound of the 28,000,000 pounds of rubber was urgently and critically needed in rearment. It was needed for gas masks, barrage balloons, leak-proof gasoline tanks, car-

(CONTINUED ON PAGE 9)

Golden Jubilee of Western Factory Is Observed

The 50th anniversary of the Western Factory Insurance Association was suitably observed at the annual dinner in Chicago Wednesday night. C. H. Smith,



H. L. GRIDER

western manager Hartford Fire, presided. H. L. Grider, manager, gave a report for the year. One of the most interesting features of the occasion was an historical retrospect of the organization given by J. R. Gathercoal, assistant manager, who started his career with the association in 1894. He therefore had a personal acquaintance with those who have been responsible for the development of the organization.

Some of the officials outside Chicago who were present were: President W. R. McCain and Vice-president J. M. Waller, Aetna Fire; Vice-president L. C. Lewis, and Fire Secretary Bradford Smith, North America; F. Minot Blake, vice-president Phoenix of Hartford, who was recently elected chairman of the executive committee of the Factory Insurance Association of Hartford for the 13th time, and H. P. Smith, manager Factory Insurance Association.

Cuts Down Size of Policy 25%

National Fire has reduced the size of its policy form about 25 percent through the elimination of the receipt for return premium. There has been no change in the standard policy in any essential. There has been no change in the statutory typography of the form.

The new form measures 11 by 8 1/4 inches which is approximately letter-head size and folds into three parts instead of four. It is printed on a paper stock lighter in weight than that customarily used.

The usual policy contains a blank space above the receipt for return premium which is sometimes used for an agency imprint and which National feels might just as well be used for the receipt.

New United Mutual Executives

L. K. Liggett has been elected chairman of United Mutual Fire and S. Bruce Black president.

Gaston Verduyn, 63, Detroit local agent, died there after a brief illness. He was born in Belgium, went to Detroit 40 years ago and had been in the insurance business most of that time.

Inspection Bureau Work Is Told, Questions Answered

Some interesting aspects of the work of the Illinois Inspection Bureau were described by C. W. Soderstrom, manager, at a dinner meeting of the Association of Fire Insurance Examiners of Chicago. The annual election of the group will be held at the April meeting, and President H. C. Brose, America Fore, arranged for the nomination of two tickets. The group will inspect the John F. Jelke Co. plant in Chicago the afternoon and evening of March 19. The tour will be conducted by M. E. Bulske, H. E. Lawser and H. E. Smith of National Inspection Co.

Inspection bureaus are not so old, Mr. Soderstrom said. He ran across a 50 year old rate card the other day and noted that rates then were made by field men and adopted by the local boards. Since July 1, 1937 the Illinois Inspection Bureau has operated under a license from the state. The law provides that companies and agents must abide by its rates and follow its rules.

Two Most Common Infractions

Mr. Soderstrom referred to two infractions of regulations: Rebating, which is a very stubborn thing to eradicate, and the writing of business at a protected rate on property outside of city limits. One agent will write property outside the city at the protected rate and another agent follows. Shortly a bad situation is developed.

The main function of the bureau is to make rates, he said. It doesn't enforce them; that is a function of the state. The bureau tries to work on the 30 day basis for getting rates to the companies, but is losing men rapidly due to the war situation and may not be able to continue this kind of service indefinitely. It also makes up inspection reports, and furnishes information. There are some 9,000 agents in the state, and when something goes out it is sent to all of them at one time. The bureau never mails one agent rates before another gets them, though it is accused of it.

The bureau has always had difficulty in keeping its agents' list correct, and Mr. Soderstrom asked examiners to notify the bureau of any changes that come to their attention.

R. O. Matson, assistant manager; J. K. Kearns, superintendent of rating, and R. E. Freeman, superintendent of the sprinkler department, were on hand with Mr. Soderstrom and participated in the question and answer session.

There has been considerable talk about use and occupancy rates in the light of currently abnormal conditions. Why not postulate rates on expectation of total loss?

Mr. Soderstrom wondered if there was anything wrong with the rates? The rates can be regulated to a certain extent by the amount of coverage written, he said. The amount of premium taken in can be doubled at the present rates by figuring the liability on the basis of two years instead of one.

U. & O. and Interdependency

Ordinarily the underwriters won't accept use and occupancy coverage on more than one plant unless they are interdependent, although it is sometimes written on plants that are independent. Examiners pointed out that a concern would get \$100,000 of the U. & O. on two plants that are practically independent, except for ownership and collect the full \$100,000 on a loss at No. 1 and not have the No. 2 plant operation affected. Mr. Soderstrom said such a situation was a matter for the underwriters to correct if they felt it necessary, and not for the bureau.

Mr. Freeman was asked whether there is not some simple formula underwriters can use in determining the minimum

water pressure sprinklers should have in multiple occupancy buildings, housing, among other things, combustibles or hazardous materials. The questioner had particularly in mind buildings two to seven stories high where the pressure on the top lines occasionally is weak.

Problem of Sprinkler Pressure

The bureau always asks that the pressure on the top line be 15 pounds, Mr. Freeman said. Then pressure on the lower floors will be satisfactory since it increases below the top floor. A pressure of 12 pounds on the sprinkler head will produce a good flow of water. However, there is no empirical formula that can be used, he said.

Are special sprinkler heads being developed for plants handling magnesium or magnesium alloys? Mr. Freeman said not. There is considerable work being done to produce "fogs" which cut down the burning time of magnesium from five or six to two or three minutes, which reduces the possibility of a larger fire getting under way.

Question of Rerating

How long a shut-off of the sprinkler system is necessary before the classification of the building should be changed from sprinklered to unsprinklered? One examiner pointed out that rather occasionally an assured will shut off the sprinkler system to make repairs, and that the building is unsprinklered during this period, though protection at the sprinklered rate continues. Priorities may delay his getting the necessary equipment, and the present shortage of skilled labor may mean a further delay before it is installed.

If the system is shut off permanently, the bureau promptly issues a followup report rerating the property as unsprinklered. However, if the plant shuts off the system for repair, rerating depends on the character of the concern's operations. If the firm is a good operator, the bureau goes along with it. If it is a poor housekeeper, the building may be rerated. The matter must be handled with judgment. The bureau maintains a close contact with assured whose sprinkler system is down.

Boiler House Tornado Rate

Why should the tornado rate on the boiler house and that on a green house be the same if they are connected only by a passageway or canopy? This is not so, Mr. Soderstrom said. The two have to be more definitely connected to take the same rate. Otherwise the boiler house takes its own rate.

The meaning of the words "usurped power," which appear in the exclusions in the vandalism endorsement is coming in for considerable scrutiny these days. The development of civilian defense, the hint of invasion, and other possibilities growing out of the war situation have led company men and others to eye the exact meaning of these words more closely than before. It is possible that the words will be changed or clarified in some way to produce a more definite meaning.

Mr. Soderstrom, in response to a question, said that under the new single form of vandalism, the rates are lower on certain classes of risks, including boiler, mercantile, and certain chemical risks. On others, such as metal workers, practically all food risks such as groceries, meat markets, and bakeries, the rates are up.

Robert E. Israel, former Wichita mayor, was honored by the Boston for 25 continuous years of representation. His son, R. E., Jr., a member of the firm, is a lieutenant in the army, stationed at Fort Mears, Dutch Harbor, Alaska.

Hail Men Expect One of Best Years

Crop Conditions Good, Prices High; Hail Adjusters Start Meetings

Company hail men, on the eve of their annual meetings with adjusters and field men, predict that on the basis of present indications 1942 should be one of the best seasons for hail premiums in a number of years. Physical conditions in most territories are good. There has been no drought over a large area, although rain is needed in some scattered sections. Even in the southeast, where a drought last year caused a drop in hail insurance business on tobacco and cotton, there has been rain, and there is a 10 percent increase in tobacco acreage.

Prices are encouraging, cash wheat now selling in Chicago at around \$1.30 a bushel, which is high in comparison with the average for the last 10 years. Anything over \$1 stimulates the demand for hail insurance because it gives growers a decided equity over and above the cost of growing, and growers are anxious to protect that equity.

Effect of U. S. Crop Cover

If prices hold good throughout the growing season there should be little effect on private hail insurance from government crop insurance. As long as the grower has a substantial equity above his growing cost, he buys private hail insurance, even though he may also take the government's crop cover, which is all risk. This is because the government only covers up to 75 percent of the average yield for the farm, which does not assure the farmer the earnings on his crop.

The meetings with hail adjusters will start at Wichita, Kan., March 5-6. S. K. Bjornson, assistant manager of the Rain & Hail Bureau, is chairman of the Kansas and Oklahoma state advisory committees for the Western Hail & Adjustment Association, which sponsors the meetings. In charge of the meetings, however, are local men, and at Wichita these will be Walker N. Moore, America Fore, co-chairman with Mr. Bjornson of the Kansas committee, and John Wilhoit, Home of New York, co-chairman for Oklahoma.

All the meetings will cover substantially the same ground. Subjects on the agenda are the hail policy contract, adjustment procedure on different crops, cooperation of local agents and company representatives, proving up on unsettled claims, office procedure, and question and answer period.

Adjusters Are Special Men

These meetings are primarily for adjusters. Adjusters are special per diem men. They may be grain elevator men, bankers, real estate men, school teachers, or others equipped with special knowledge and experience of the particular territory and crops.

In addition to adjusters, fire as well as hail field men attend. Following the adjusters' meeting, each individual company or company group will hold meetings of their own men.

The adjusters meeting in Omaha will be held March 12-13. T. G. Dahl, farm and hail department manager of Great American, is chairman for Nebraska and the mountain states, and B. E. Thorp, Hartford Fire, is chairman for Iowa. Glenn Cavanaugh, of the Cavanaugh general agency, Omaha, is the local co-chairman in charge. Adjusters from Iowa, Nebraska, Colorado, and Wyoming will attend.

The Great Falls, Mont., meeting is March 27-28. C. F. Laude, Rain & Hail Bureau, Spokane, who is secretary of the Pacific Coast Hail Conference, and G. V. Lundmark, Great American, Great Falls, vice-president of the Pacific Hail Conference, are co-chairmen.

George S. Hansen, Aetna Fire, is

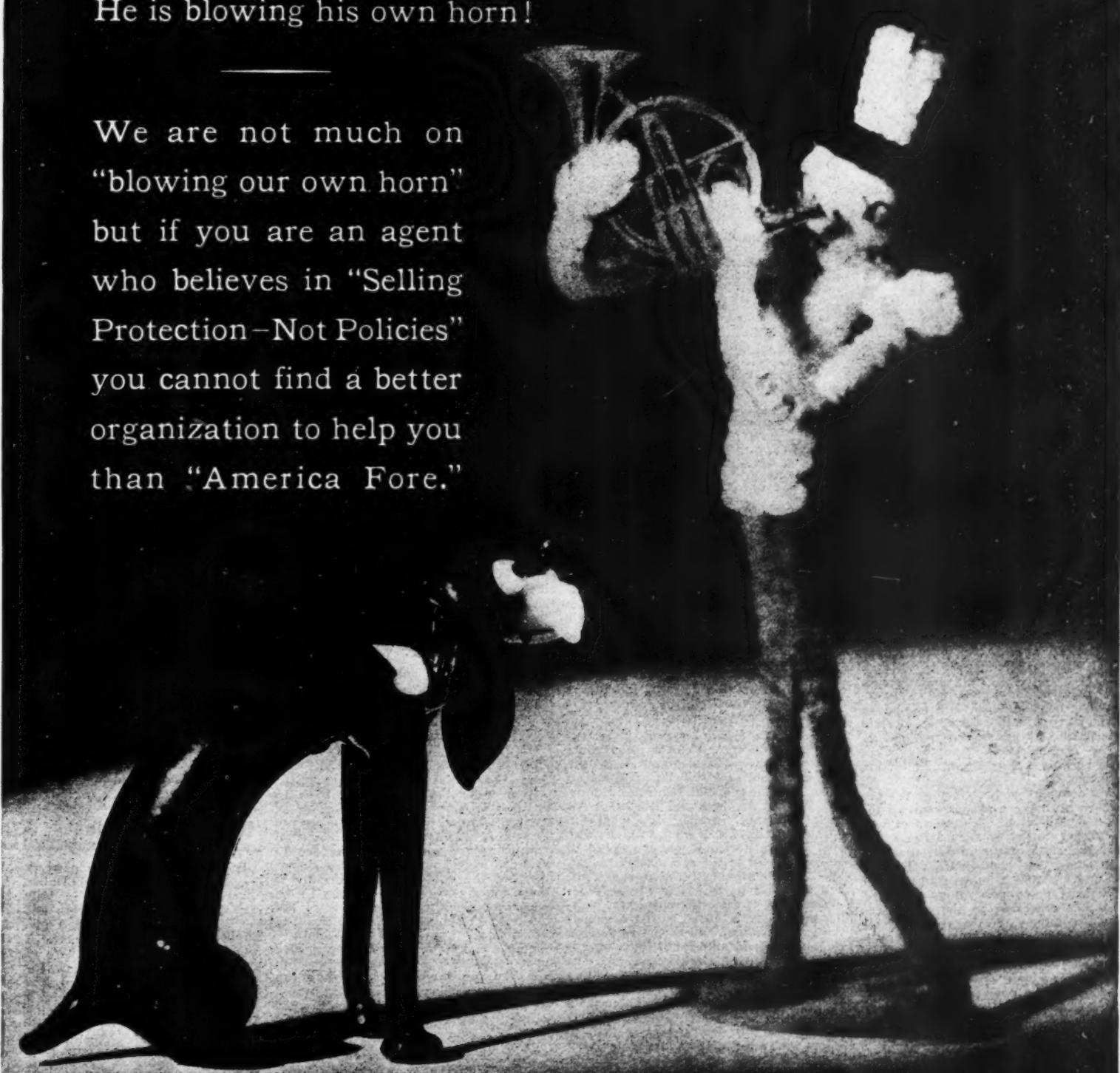
FIGURES FROM DEC. 31, 1941, STATEMENTS

Assets	Changes in Assets	Reins. Res.	Changes in Reins. Res.	Capital or Stat. Dep.	Surplus	Changes in Surplus	Net Prems.	Losses Paid	Loss Ratio %
American Alliance	\$ 5,149,957	-\$ 274,527	+\$ 2,178,063	+\$ 205,145	\$ 3,000,000	+\$ 2,723,939	-\$ 650,120	\$ 2,216,706	882,324 39.8
American, N. J.	34,241,024	+\$ 2,332,422	+\$ 15,472,436	+\$ 1,939,227	+\$ 3,434,740	+\$ 10,402,804	+\$ 476,164	+\$ 18,262,548	7,520,043 41.1
American National	1,173,544	+\$ 8,041	+\$ 2,541,162	+\$ 172,722	\$ 1,000,000	+\$ 2,372,723	+\$ 90,300	+\$ 2,475,960	1,020,663 41.2
American Central	7,342,662	+\$ 126,199	+\$ 2,299,891	+\$ 6,690	+\$ 245,000	+\$ 1,222,984	+\$ 45,234	+\$ 407,682	146,840 35.8
American Druggists	2,270,452	+\$ 34,464	+\$ 229,891	+\$ 550,189	\$ 1,000,000	+\$ 11,685,618	+\$ 859,147	+\$ 4,230,839	1,793,096 42.5
American Eagle	17,918,691	-\$ 51,829	+\$ 2,733,707	+\$ 29,998	+\$ 500,000	+\$ 309,011	+\$ 14,338	+\$ 431,504	183,267 42.5
British General	1,320,601	-\$ 16,037	+\$ 438,679	+\$ 2,365,204	\$ 1,000,000	+\$ 2,233,850	+\$ 128,367	+\$ 1,523,927	637,146 41.8
California	5,126,379	+\$ 2,959	+\$ 1,573,135	+\$ 166,173	\$ 1,000,000	+\$ 2,204,100	+\$ 588,627	+\$ 6,271,471	2,407,221 58.4
Calvert Fire	8,657,765	+\$ 3,689,866	+\$ 4,099,247	+\$ 2,365,204	\$ 1,000,000	+\$ 2,204,100	+\$ 588,627	+\$ 6,271,471	2,407,221 58.4
Camden Fire	13,776,217	+\$ 315,541	+\$ 6,347,241	+\$ 608,317	\$ 2,000,000	+\$ 3,404,577	+\$ 760,475	+\$ 957,123	2,890,809 41.5
Century	4,149,910	+\$ 332,387	+\$ 1,629,502	+\$ 174,420	+\$ 500,000	+\$ 1,095,652	+\$ 122,084	+\$ 2,508,186	974,713 38.8
Columbia Fire, N. J.	3,118,176	+\$ 84,908	+\$ 631,612	+\$ 72,582	\$ 1,000,000	+\$ 1,335,840	+\$ 1,394	+\$ 674,215	232,780 42.1
Commerce	4,573,621	+\$ 194,327	+\$ 1,788,482	+\$ 115,105	+\$ 1,000,000	+\$ 1,377,884	+\$ 29,253	+\$ 1,685,100	719,488 42.6
Commonwealth, N. Y.	8,038,482	+\$ 203,201	+\$ 2,198,881	+\$ 278,483	\$ 1,000,000	+\$ 4,359,261	+\$ 138,918	+\$ 2,215,369	759,843 34.2
Commercial Union, Eng.	15,373,499	+\$ 1,396,809	+\$ 5,572,314	+\$ 577,765	+\$ 500,000	+\$ 6,402,792	+\$ 36,713	+\$ 7,897,713	2,805,994 36.4
Commercial Union, N. Y.	2,951,791	+\$ 78,247	+\$ 990,597	+\$ 67,026	\$ 1,000,000	+\$ 764,193	+\$ 10,882	+\$ 962,978	400,140 41.6
Continental	95,946,705	+\$ 766,424	+\$ 23,408,479	+\$ 2,459,750	+\$ 500,000	+\$ 59,148,901	+\$ 4,827,020	+\$ 25,881,858	10,445,575 40.4
County Fire	2,414,731	-\$ 30,443	+\$ 513,697	+\$ 51,501	\$ 1,000,000	+\$ 717,813	+\$ 107,531	+\$ 523,323	194,818 37.1
Detroit F. & M.	3,866,812	-\$ 27,872	+\$ 949,047	+\$ 93,479	+\$ 1,000,000	+\$ 1,736,787	+\$ 154,836	+\$ 966,239	380,241 39.3
Dixie Fire	2,162,391	+\$ 17,401	+\$ 316,094	+\$ 25,704	\$ 1,000,000	+\$ 794,288	+\$ 28,005	+\$ 337,108	141,890 42.0
Dubuque F. & M.	5,484,136	+\$ 54,506	+\$ 3,051,843	+\$ 47,691	+\$ 1,000,000	+\$ 775,877	+\$ 224,460	+\$ 2,919,492	1,336,545 45.7
Farmers, Pa.	3,413,527	+\$ 122,820	+\$ 882,457	+\$ 124,885	+\$ 1,000,000	+\$ 2,353,890	+\$ 15,298	+\$ 805,763	354,450 43.9
Fidelity & Guaranty Fire	8,826,796	+\$ 729,688	+\$ 5,808,106	+\$ 724,670	+\$ 1,000,000	+\$ 1,791,249	+\$ 122,146	+\$ 6,382,551	2,478,924 38.8
Fidelity-Phenix	76,901,767	+\$ 130,194	+\$ 17,226,751	+\$ 1,213,052	+\$ 2,750,000	+\$ 46,360,301	+\$ 4,008,887	+\$ 19,863,233	8,321,514 42.0
Fire Association	25,406,175	+\$ 57,296	+\$ 11,213,034	+\$ 305,053	+\$ 2,000,000	+\$ 8,020,751	+\$ 1,828,708	+\$ 13,012,140	5,715,869 43.9
First American	4,596,859	+\$ 87,042	+\$ 1,072,354	+\$ 152,185	+\$ 1,000,000	+\$ 2,242,460	+\$ 31,099	+\$ 1,188,023	606,287 51.1
Glen Falls	21,558,563	+\$ 1,705,314	+\$ 9,176,345	+\$ 1,537,840	+\$ 2,500,000	+\$ 5,639,523	+\$ 717,156	+\$ 10,728,273	3,586,173 33.4
Great American	50,086,481	+\$ 94,398	+\$ 15,198,675	+\$ 1,524,379	+\$ 8,150,000	+\$ 21,995,557	+\$ 1,197,565	+\$ 16,752,563	6,452,181 38.5
Homeland	4,034,170	+\$ 84,881	+\$ 994,598	+\$ 132,620	+\$ 1,000,000	+\$ 1,882,091	+\$ 102,591	+\$ 1,053,757	392,121 37.2
Houston Fire & Cas.	2,209,051	+\$ 770,683	+\$ 91,199	+\$ 31,096	+\$ 600,000	+\$ 433,810	+\$ 148,939	+\$ 876,929	291,784 33.2
Illinois Fire	1,522,492	+\$ 786,395	+\$ 222,720	+\$ 45,171	+\$ 250,000	+\$ 1,024,049	+\$ 682,385	+\$ 203,407	58,461 28.7
Lumbermen's, Pa.	5,658,416	+\$ 204,136	+\$ 1,739,206	+\$ 55,293	+\$ 1,000,000	+\$ 2,055,714	+\$ 321,610	+\$ 2,081,907	930,487 46.1
Maryland	3,288,349	+\$ 125,902	+\$ 729,864	+\$ 287,887	+\$ 1,000,000	+\$ 3,750,000	+\$ 1,378,012	+\$ 251,162	840,158 30.0
Massachusetts F. & M.	2,688,722	+\$ 30,805	+\$ 513,697	+\$ 52,450	+\$ 1,000,000	+\$ 1,022,124	+\$ 150,983	+\$ 523,423	192,601 36.8
Mercantile	7,692,288	+\$ 190,912	+\$ 2,223,011	+\$ 166,129	+\$ 1,000,000	+\$ 4,042,310	+\$ 28,944	+\$ 2,128,678	811,126 38.1
Mercury	7,499,825	+\$ 636,350	+\$ 2,469,982	+\$ 344,865	+\$ 1,000,000	+\$ 2,360,817	+\$ 119,224	+\$ 2,740,911	1,107,492 40.4
Millers National	7,569,470	+\$ 362,272	+\$ 3,905,261	+\$ 426,963	+\$ 1,000,000	+\$ 2,355,954	+\$ 61,102	+\$ 4,306,044	1,717,401 39.8
Mt. Beacon	805,265	+\$ 141,097	+\$ 306,290	+\$ 81,743	+\$ 200,000	+\$ 233,417	+\$ 31,881	+\$ 413,202	198,290 47.9
National, Col.	308,970	+\$ 20,810	+\$ 1,066,000	+\$ 106,000	+\$ 100,000	+\$ 47,234	+\$ 15,900	+\$ 220,008	92,751 42.1
National Reserve	2,499,199	+\$ 68,598	+\$ 1,473,450	+\$ 217,466	+\$ 500,000	+\$ 309,770	+\$ 190,630	+\$ 1,442,697	626,511 43.4
New Zealand	2,022,712	+\$ 128,422	+\$ 567,528	+\$ 132,616	+\$ 500,000	+\$ 777,676	+\$ 19,156	+\$ 700,921	195,408 27.9
Niagara Fire	24,266,064	+\$ 213,001	+\$ 6,338,190	+\$ 917,561	+\$ 2,000,000	+\$ 14,018,352	+\$ 1,687,228	+\$ 6,369,041	2,126,690 33.2
No. British & Merc.	15,515,108	+\$ 20,571	+\$ 7,072,366	+\$ 446,733	+\$ 500,000	+\$ 6,140,282	+\$ 961,637	+\$ 7,135,785	2,696,445 37.7
North Carolina Home	1,307,503	+\$ 22,534	+\$ 1,066,000	+\$ 500,000	+\$ 792,003	+\$ 22,534	+\$ 22,534	+\$ 22,534	+\$ 22,534
Northwestern National	16,909,773	+\$ 378,899	+\$ 6,241,478	+\$ 477,323	+\$ 2,000,000	+\$ 6,298,447	+\$ 177,220	+\$ 5,351,138	1,837,567 34.3
Ohio Insurance	716,294	+\$ 92,763	+\$ 181,209	+\$ 30,315	+\$ 200,000	+\$ 281,480	+\$ 55,849	+\$ 394,993	125,066 36.1
Pacific Coast Fire	1,595,693	+\$ 53,284	+\$ 481,807	+\$ 45,038	+\$ 500,000	+\$ 429,543	+\$ 36,193	+\$ 558,321	256,664 45.9
Palatine	3,136,192	-\$ 22,313	+\$ 1,097,749	+\$ 74,251	+\$ 500,000	+\$ 1,331,271	+\$ 112,763	+\$ 1,065,083	450,817 42.2
Patriotic	3,122,688	+\$ 235,395	+\$ 819,186	+\$ 224,386	+\$ 1,000,000	+\$ 1,132,171	+\$ 58,840	+\$ 1,052,530	365,733 34.6
Pennsylvania Fire	16,308,474	+\$ 256,992	+\$ 5,019,567	+\$ 245,576	+\$ 1,000,000	+\$ 8,715,126	+\$ 282,774	+\$ 4,714,096	1,797,625 35.1
Penn-Liberty	316,449	+\$ 33,252	+\$ 86,367	+\$ 20,180	+\$ 125,000	+\$ 98,996	+\$ 3,304	+\$ 74,914	22,469 29.9
Philadelphia National	3,152,955	+\$ 55,790	+\$ 741,808	+\$ 75,459	+\$ 1,000,000	+\$ 1,161,314	+\$ 125,433	+\$ 858,121	380,969 43.3
Reliable Fire	1,527,258	+\$ 25,869	+\$ 432,884	+\$ 55,536	+\$ 250,000	+\$ 785,020	+\$ 45,267	+\$ 368,234	137,616 37.4
Reliance	4,334,357	+\$ 38,929	+\$ 1,181,235	+\$ 57,226	+\$ 1,000,000	+\$ 1,588,265	+\$ 307,072	+\$ 1,358,803	600,470 44.2
Rochester American	4,019,122								

"SELL PROTECTION - NOT POLICIES"

Oh! See the man!
What is he doing?
He is blowing his own horn!

We are not much on
"blowing our own horn"
but if you are an agent
who believes in "Selling
Protection-Not Policies"
you cannot find a better
organization to help you
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THE AMERICA FORE INSURANCE AND INDEMNITY GROUP

BERNARD M. CULVER, President

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Actual Experience with Renewal Slips

Certain Non-Board Insurers Use Plan in Canada—Complications Cited

Some practical experience with the use of renewal certificates for keeping fire insurance policies in force has been gained by several of the non-board companies in connection with their Canadian business. It is interesting to investigate this experience because of the current interest in the idea of conserving labor and paper by the use of such certificates in this country.

One of the companies, at least, which is using these renewal certificates in Canada is not enthusiastic. There are some complications involved in maintaining the records in the home office, for one thing. The renewal certificate contains an entry for policy number, amount, rate, premium, term, expiration date, name of assured, property (whether building or contents, etc.), location, and loss payable provision if any. It is called a renewal counterfoil.

When the renewal certificate is received it is attached to the original policy and hence the original policy is concealed by the renewal certificate. Inasmuch as the renewal certificate each year has a different number and those numbers do not coincide with the policy number, in order to keep track of the policies themselves, another series of files is maintained. This consists of a dummy daily report upon which is written the number of the latest renewal certificate and there is a reference thereon to the number of the policy indicated by that particular renewal certificate. These are filed by certificate numbers and by reference to this series it is possible to locate the original policy. If the policy is renewed year after year by certificate, the "dummy" daily report is pulled, the former renewal certificate number crossed off and the new certificate number inserted.

One possibility to avoid this filing complication would be to use the same certificate number as the number of the original policy. That system was not adopted on the theory that it would be impossible to make a check in this way against the agent's supplies. Under the ordinary routine, if there is a missing policy number, the company can ascertain what has happened and is put on guard. But under the certificate system with certificate number corresponding to the original policy number there would be no warning signal of this kind appearing.

This company also feels that the opportunity to make a proper audit of the business both as to correctness of rate and proper forms is very largely lost under the certificate plan and that this is an important consideration because even under the accustomed routine there are a great many corrections indicated.

Another objection to the plan, seen by this company, is the fact that the agent is less likely to bring the coverage up to date at renewal time because of the ease with which a certificate can be issued without any change. This company for instance cited a renewal certificate that had just come in covering building, machinery and stock of a printing concern under specific items. This was the fourth renewal of a three year policy. There was an 80 percent coinsurance clause and yet the amount of the insurance today was the same as the amount that was carried 12 years ago and the form has not been changed, although it was decidedly obsolete. This company assumes that there has been a substantial increase in values of this assured.

What about your future? See page 30.

IN THE FIELD WITH OLD IRONSIDES

by H. J. B.

How I got started canvassing these different factories and places for insurance was I was practically forced into it by the way some of my top agents started in treating me. I mean I was getting the brush off in a lot of spots where I used to be aces. They were giving me so much ice I was freezing to death, and when your old pals are acting that way, you start to wonder after it happens a few times have you got smallpox or something.

* * *

But the pay off was when my agent at Peoria, a boy I have been out drinking everything with him plenty times, he just gave me the dead pan the last time I called on him and says, "I tell you. I am going to be brutally frank with you. I want you to stay the hell out of my office, and quit calling on me. All that happens when you come here is you kill the day for me, you disorganize my whole place, you goof up the records the way you monkey around with them, and then you try to date up the two office babes, who are both married and don't want any part of you. The only thing you can do for me will be any good is you can go out and solicit some new business for me, like all my other field men do. I don't want any more of your cheap cigars, or your stale stories, or your views on the war or things like that. All I want is some new business that you rustle up yourself, and I don't mean household policies with lousy little \$4 premiums.

* * *

How do you like that, Joe? Nice and friendly, eh? Just one pal talking to another, only this dog wasn't clowning. All I had to do was close my eyes, and I could see my Old Ironsides supplies laying out in the alley. I act like I wasn't bothered in any way and I says, "O. K. pal. If that's the way you want it, I'll be back in a flash with so much new business it will make those other bird dogs that call on you look like 30 cents worth of canary seed." On the side I figured maybe I had been a little dead on my feet, and there was nothing else for me to do but shake around and get some business for this loud mouth, who was too lazy to go out and bring it in himself. A fine heel he turned out to be, with his field men doing his soliciting for him, and he sits in his office and goes south with all the commissions and plenty excess at that.

* * *

I guess you know I can write my own policies. I have a license and all, so the first crack out of the box I whipped up what I called the Old Ironsides Bombing, Falling Airplane and BlackOut All Risk Insurance Special. It's what the government says it is going to give away only it can't decide if you are going to be covered for \$8,000 or \$15,000 or what. Well, I was writing these policies until hell wouldn't have it only I wasn't delivering any of them because I was waiting until I got a bushel basket or something full of them, and then I was going to take them in and dump them on the desk of my smart aleck agent, and shut his mouth for keeps. I'm just telling you I was cooking with gas and electricity both until the owner of some factory wrote to the home office in New York about his policy. He wanted to know where it was at and why he didn't get it. What happened after that, Joe, I really would rather not talk about. The policies were all canceled, I came so close to losing my job I was looking up about unemployment insurance, and practically speaking I was a man without a country, like it says in the movies where they have the shorts about how you should buy defense bonds.

* * *

Joe, what would the average field man do if he got slapped around like this?

You know what he would do as well as I do. He would go to his draft board and have his classification changed and just give up. You know, "O. K., boys here I am. Take me away." But you have found out, Joe, I am not the average field man. I start in where the others leave off. You may think Churchill is pretty good, but I don't get discouraged any more than he does. Maybe I did do a little too much drinking for three or four nights after they put me through the wringer, but I snapped back before the week was over, and now I am in there pitching again.

* * *

What I have got this time is something the ordinary field man wouldn't think of in a thousand years, and the beauty part is I am cooperating with the government just like I was a dollar a year man. You have been reading this stuff about how scarce paper is. It's really bad. A lot of the boys say the Sears Roebuck catalogues will be coming back strong, and even in the big cities, too. I mean, it's serious. Some of the companies have been talking how much it costs to send out a new policy every time a renewal comes up, how much paper it wastes, and how you should just mail out a renewal certificate, and not write up a new policy all the time. This would save a hell of a lot of paper. O. K. as far as it goes, but it don't go far enough.

* * *

Here's what I been doing, and I'm four jumps ahead of everybody else, as usual. I'm not using any policy at all. If you stop to think of it, you don't need a policy. If a certificate is all right for a renewal, what's the matter with a certificate in the first place, and look at the paper you save. The one I got will go in a regular large size envelope. Here's what I'm using for U. & O. "Greetings, to wit. (Official)." This certifies that _____ of _____ is insured in the Old Ironsides Fire & Marine, party of the first part, against all of the hazards of business interruption indemnity, hereinafter referred to as use and occupancy of the aforesaid premises. Approved New York form." Get it? Short and snappy. No long paragraphs. No small type that nobody can read. No deal where you give it to them on the front of the policy, and take it away on the back, but still I got plenty legal words in there. Everybody likes it 'cause they can see it isn't wasting any paper.

* * *

Next week I'm going right back to Peoria and start selling these U. & O. certificates to all the factories and so on. This U. & O. business is just laying all over the place waiting for someone to write it who knows what he's doing. Most of the companies are turning it down, but if you can tell me why I'll be answering like the \$64 question. I tell you what I'm going to do. I'm going to sell it to all those fellows who had my bombing and black out special cancelled on them, and make them like it. I'm just like the Russians, Joe. You can push me around until I am hanging on the ropes, and all I do is I come back stronger than ever.

Leonard Peterson, western manager of Home, was in Chicago this week, among other things conferring with F. H. Cornell, manager of the farm and hail departments on the appointment of the successor to Jacob Nelson, assistant manager of that department who was primarily in charge of the hail business and who died the other day.

Write your company for Accident & Health Week promotional supplies.

Fire Patrol Premiums in N. Y. Increase 10%

The total premiums in 1941 subject to assessment for support of the fire patrol of the New York Board amounted to \$30,261,657 as compared with \$27,520,158 in 1940. That is an increase of almost 10 percent.

The premiums of stock companies in 1941 for Manhattan and the Bronx were \$17,038,831, a gain of \$1,577,170 or about 10 percent. The Brooklyn premiums were \$9,383,541 or an increase of about 5½ percent. Mutual companies in Manhattan and the Bronx had premiums of \$1,766,485, a gain of about 17 percent and in Brooklyn the premiums were \$637,731, an increase of about 23 percent.

Herewith are given the 1941 and 1940 premiums of company groups:

	1941	1940
Home	\$2,193,857	\$1,866,060
America Fore.	1,112,999	1,072,331
Great American	999,860	910,158
Corroon & Reynolds	820,789	699,405
Crum & Forster	693,273	639,014
Royal-Liverpool	676,174	646,212
North British	604,392	593,875
North America	477,706	544,223
National	444,727	359,421
Actna Fire	443,649	279,394
Commercial Union	441,450	344,746
Firemen's	437,305	513,156
Hartford	405,786	392,538
Automobile	394,208	365,115
Fire Association	376,034	326,235
Lord & Lancashire	327,799	278,992
Phoenix of London	304,568	221,227
American	271,695	216,935
Sun	258,009	204,695
Firemen's Fund	240,050	220,500
Scottish Union	238,487	206,319
Phoenix of Hartford	238,342	214,839
National F. & M.	234,164	186,658
St. Paul	221,669	222,123
Meserole	213,615	178,608
Travelers	208,400	211,302
Chubb & Son	177,460	145,192
Springfield	169,734	169,114
Agricultural	165,659	140,473
Atlas	138,327	117,576
Norwich Union	136,468	117,895
London	134,338	99,594
Pearl	132,469	107,336
Glens Falls	131,717	109,861
Hanover	125,136	103,941
National Union	123,673	98,989
Northern of London	112,535	79,257
Provident-Wash.	102,702	114,529
Merchants of N. Y.	101,987	106,803
Royal Exchange	84,940	95,057
Boston	79,711	69,731
Globe & Rutgers	77,379	89,919
Caledonian	69,291	59,197
General of Seattle	66,394	69,025
New Hampshire	58,850	62,307
Secur. of New Haven	57,689	46,733
Dubuque	51,000	49,597
Century	40,096	27,307
Yorkshire	31,261	32,428

Richards Brown, manager of the supply department of Central Surety, has left for service in the army. Lacy Hammond, his assistant, is now in charge of the work.

New President of Republic of Dallas

Hugh H. Gaffney, the newly elected president of Republic of Dallas, was born in Milwaukee 47 years ago. He attended the old Marquette Academy there and studied law for three years at Marquette University. He entered the insurance business with Northwestern National of Milwaukee. He resigned to enter the army and served as a captain of infantry. He saw active service in France and was cited for bravery. Mr. Gaffney joined Republic in 1921 as a special agent. He was elected secretary in 1924 and a year later was named Pacific Coast manager. He was elected a vice-president in 1929.



Hugh H. Gaffney

Fire Protection Is Vital to War Effort

(CONTINUED FROM PAGE 5)

tridge clips and rubber thread; for tanks and planes, surgical equipment, soldier's clothing, and military tires. The cause was human failure, not mechanical. It was ignorance, natural and uncorrected by proper training, plus incompetence, which always accompanies it. These always reveal themselves in an emergency and render powerless those who should through their good sense and strength avert a threatening disaster.

Another enemy of production is irresponsibility, Mr. Hargrett declared. While in an overwhelming percentage of cases, industrial management responds immediately and completely to the need for better care and protection, there still remain the few who say, "The government owns the stuff, let them guard it. Nothing is going to happen to it."

Fire prevention and protection in time of war differ in degree only from the same measures necessary in time of peace. But that degree is enormous. Fire hazards increase from the acceleration of production demanded by war. The dollar value of property is no longer paramount. Property becomes important mainly as it contributes to the production of munitions.

Subdividing Important Materials

Fire prevention and protection must not be neglected while rapid expansion and production speed-ups are taking place. Attendant on both of these are large concentrations of values, in closely grouped buildings or under one roof. The No. 1 rule for safety against fire during war requires distribution of essential supplies—raw, in process, and finished materials—in such a way as to limit the damage which the stores will sustain in event of fire. This can best be done by subdividing important materials. They should be so arranged that no single fire or accident can destroy the entire available quantity of any particular item.

A second rule is to clean up premises and keep them clean. The maintenance of good housekeeping is a fundamental requirement of fire prevention. It also results in fewer accidents and personal injuries and promotes employee morale.

Rule 3 is to eliminate fire hazards, such as heating, smoking, electric wiring, trash disposal, etc.

Special fire hazards in many forms expose all types of manufacturing plants. To protect against them, first of all they should be recognized as such, their potential dangers studied, and every means at hand employed to eliminate or reduce them. This can be done. Huge concerns operating many plants throughout the country, some of them with inherent hazards of a serious character, go year after year with no more than trivial damage from these causes.

Keep Protective Devices in Order

The fourth rule laid down by Mr. Hargrett is to maintain all fire extinguishing and protective devices in proper working order at all times.

Automatic sprinklers are the most important and effective single fire protection for industrial plants, he declared. In past years they have extinguished 70 percent of all fires occurring, and have held an additional 26 percent in check. Their batting average is thus 96 percent. Over 50 percent of fires in sprinklered buildings have been extinguished or controlled by one or two heads; over 80 percent by less than eight sprinkler heads. No other equipment or apparatus can approach them in effectiveness. They are dependable, however, only so long as they are maintained in proper working order.

Rule No. 5: Be forever on the alert. Employ capable and trustworthy individuals as watchmen and supervise them closely. The unbelievable ignorance of a watchman at Fall River was largely responsible for failure to control that

fire at the start. In past years the watchman's job has been looked on as one for old employees, practically superannuated, whose lack of physical strength permitted no heavy labor. Times have changed that. The watchman today is a most important individual. In an emergency the safety of the plant and the continuity of its production depends heavily upon how well he can meet the unexpected or unforeseen. Mr. Hargrett urged employment of only able-bodied men whose faculties are still keen and whose strength is unimpaired. Then they should be well trained so they

will know exactly what to do when fire breaks out.

Other suggestions by Mr. Hargrett were: A well trained fire squad for each department, a private fire brigade for the whole plant headed by a chief who is regarded as a personage of some importance; thorough self-inspections, the responsibility for which is placed on a junior executive or one in even higher authority, and above all a thorough application of the rules of common sense.

While not minimizing the dangers of sabotage, Mr. Hargrett said he believes the danger is many times outweighed by

carelessness, ignorance and irresponsibility. For every airplane the saboteur destroys on the assembly line or in its hangar, fire from one of these three causes threatens 100 airplanes in course of construction. Undue stress on the perils of sabotage may be dangerous if it lessens protective measures against those three production enemies.

Slaughter Ware, local agent at Norfolk, Va., was instantly killed in an automobile accident.

A. N. Adams, mayor of Purcellville, Va., and long in the agency business, died there.

All-Out Protection for ALL-OUT PRODUCTION...



With the *increased fire hazards* resulting from production speed-ups...with the ever-present threat of *sabotage*...protection that "got by" in normal times may prove woefully inadequate today. Present conditions demand all-out protection measures to safeguard against *needless production stoppages* through fire.

Even protection that includes watchmen, sprinklers, fireproof construction...does not meet today's requirements unless provisions also are made for detecting and reporting fire *automatically*. For only by automatic* means can there be the best possible assurance that fire will be discovered and the alarm transmitted in those *vital first few minutes* that may mean the difference between an incident and a disaster.

★ ★ ★

A.D.T. Sprinkler Supervisory and Waterflow Alarm Service: Summons the fire department automatically the instant a sprinkler head opens. Automatically detects and reports trouble conditions (whether caused by accident or sabotage) that might impair the sprinkler's effectiveness. **Aero Automatic Fire Alarm:** (for unsprinklered properties, areas where sprinklers are impracticable, or in conjunction with sprinklers). Automatically detects fire when it starts, and summons the fire department automatically.

FOR ALL-OUT PROTECTION

A.D.T. provides the following Central Station Services:

Sprinkler Supervisory and Waterflow Alarm
Aero Automatic Fire Alarm
Watchman Supervisory Service
Manual Fire Alarms
Burglar Alarms
Holdup Alarms
Invisible Ray Alarms
for Sabotage Protection

Descriptive booklets furnished on request. A.D.T. will be glad to cooperate with you, in confidence and without obligation, in analyzing your clients' fire hazards and preparing suitable protection recommendations. Write A.D.T., 155 Sixth Ave., New York.

A.D.T. ELECTRIC PROTECTION SERVICES

Controlled Companies of AMERICAN DISTRICT TELEGRAPH CO. 155 Sixth Avenue, New York, N.Y.
CENTRAL STATION OFFICES IN ALL PRINCIPAL CITIES OF THE UNITED STATES



Electric Protection Services
AGAINST FIRE • BURGLARY • HOLDUP
A NATION-WIDE ORGANIZATION

NEWS OF THE COMPANIES

Reinsurance Corp. Annual Exhibit

Karl E. Prickett, president Reinsurance Corporation of New York, has announced some of the features of its annual statement. The gross premiums less returns and cancellations were \$6,293,609 as compared with \$3,760,250 in 1940. Net premiums retained, after sharing the business with the fire insurance companies associated with it, were increased to \$2,153,747 from \$1,223,368 a year ago. The large increase in premiums retained necessitated the addition of \$441,283 to unearned premium reserve. Because of this increase and the unusual losses, the statement shows a statutory underwriting loss of \$419,903. Net interest and dividends amounted to \$280,639, as compared with \$261,983 a year ago. Dividends amounting to \$229,510 were paid. The assets are \$6,872,279 and the policyholders surplus \$4,803,736. It has cash and government bonds amounting to \$2,552,569, representing 37 percent of the assets. The number of reinsurance contracts of companies writing fire and allied lines has increased every year.

Comments on Fire Waste

President Prickett in a letter to stockholders recounts that 1941 was an exceptional year in fire insurance. It was marked by several unusually large and wasteful fires. He urges greater emphasis than ever on fire prevention as a national watchword. To strengthen and facilitate the plan for the American reinsurance market, the company became associated with a number of prominent companies comprising the Excess Reinsurance Association. The risks underwritten by the Reinsurance Corporation are shared with this reinsurance group. The underwriting management of the Reinsurance Corporation is the Excess Management Corporation. It also acts as underwriting manager for the Excess Reinsurance Association.

Strong Report by Crum & Forster

The annual statements of the companies in the Crum & Forster group show impressive gains in assets and other items.

Assets of United States Fire increased \$1,989,314 to \$37,010,537. Unearned premium reserve was \$11,954,631, a gain of \$1,230,833. North River assets stood at \$24,352,503, increase \$1,089,701. Premium reserve increased \$1,068,601 to a total of \$7,513,101.

Westchester Fire had assets of \$20,158,699, up \$1,476,834. Premium reserve was \$6,747,471, a gain of \$767,540. Allemannia had assets of \$5,411,404, gain \$20,032, with premium reserves increasing \$218,812, to \$1,813,483.

Richmond's assets totaled \$5,128,684, up \$177,789, with premium reserves of \$1,421,821. Assets of Western Assurance totaled \$4,704,467, increase \$267,199, and premium reserves gained \$134,568 to \$1,371,766.

British America had assets of \$2,724,895 and premium reserves of \$697,949, the latter up \$26,916. Assets of Southern Fire stood at \$1,850,300 and premium reserves increased \$53,044 to a total of \$549,299.

Vote on Participating Plan

Stockholders of the Rhode Island are voting Thursday of this week on a proposal to amend the charter to provide for the issuance of participating policies. The Rhode Island legislature a year ago granted permission for such a change to be made in charter powers.

Home's '41 Premium Highest Ever

Home of New York with a premium volume of \$71,078,064, set a new record in that respect in 1941. Premiums were \$5,002,576 or 7 1/2 percent greater than in 1940.

Assets increased about \$200,000 and amount to \$123,976,772. Capital is \$15,000,000, premium reserve \$59,351,273, loss reserve \$9,658,743 and net surplus \$36,289,853.

More than 4,500,000 policy contracts were written in 1941 and 684,357 claims were received. Dividends to the more than 29,000 stockholders amounted to \$4,800,000. Home has missed only one year in paying of dividends since it was founded in 1853. That was in 1872 as a result of the Chicago conflagration.

Hartford's Premiums by Lines

The fire premiums of Hartford Fire last year amounted to \$24,234,053, which is an increase of 6.29 percent over the previous year. Extended coverage premiums were \$2,125,875 or 18.7 percent

higher; tornado, \$1,830,397 or 7.08 percent increase; sprinkler, \$96,550, increase 16.82 percent; riot and civil commotion, \$218,791, 51.9 percent increase; earthquake, \$43,390, 1.64 percent increase; hail, \$1,461,172, up 36.35 percent; motor vehicle, \$8,741,210, increase 12.64 percent; ocean marine, \$3,811,230, increase 55.83 percent; inland marine \$3,517,069, up 18.28 percent; aircraft, \$157,673, up 89.04 percent, and rain and flood, \$349,267, up 30.82 percent. The total premiums were \$46,586,684, an increase of 13.15 percent.

North British Units Report

The annual statement figures of Pennsylvania Fire and Homeland of the North British & Mercantile group are available this week. Last week a report was given on the statement of North British & Mercantile itself, Mercantile and Commonwealth.

Pennsylvania now reports assets of \$16,308,474, which is an increase of about \$250,000 from the previous year. Premium reserve is \$5,574,546 or a gain of about \$280,000. Capital remains at \$1,000,000 and net surplus is \$8,715,126. On the basis of Dec. 31 market quotations, assets would have been \$17,128,231 and net surplus \$9,534,883.

Assets of Homeland stand at \$4,034,170 on the statement basis and \$4,135,413

on the market basis. Premium reserve is \$994,598, capital is \$1,000,000 and net surplus \$1,862,091 on a statement basis, and \$2,963,334 on a market basis.

Christian Director of Va. F. & M.

Andrew D. Christian has been added to the board of Virginia Fire & Marine. Mr. Christian is a well known insurance attorney of Richmond. He was one of the principal counsel for the companies when an unsuccessful test was made of the Virginia countersignature law.

Move New England Fire

The head office of New England Fire is to be moved from Pittsfield to Springfield, Mass., which is the head office of the other companies in the Springfield group except Michigan Fire & Marine, located in Detroit.

New England Fire began doing business in 1920, and became a member of the Springfield group in 1927 when Springfield F. & M. began to conduct underwriting operations for the company.

George Jowers, formerly associated with Jos. H. Wish Company of Tulsa, has established a local agency with offices in the Thompson building there.

American Equitable Assurance Company of New York Organized 1918

Globe & Republic Insurance Company of America Established 1862

Knickerbocker Insurance Company of New York Organized 1913

Merchants and Manufacturers Insurance Company of New York Organized 1849

New York Fire Insurance Company Incorporated 1832



Losses paid exceed
Two Hundred and Fifty Million Dollars

Corroon & Reynolds Incorporated MANAGER

92 William Street New York

DEPARTMENTS:

CHICAGO

SAN FRANCISCO

PHILADELPHIA

PITTSBURGH

KANSAS CITY

MONTRÉAL

INDIANAPOLIS

Now Enters Cargo War Risk Field

(CONTINUED FROM PAGE 3)

its rate schedule is that the administration considers the commercial rates for the voyages involved. The administration issued no statement in connection with its schedule of rates. One guess is that the administration's rates were designed to keep the commercial rates down.

Another is that the administration, as indicated by its efforts to obtain legislation legalizing subsidized rates, feels that because of the war program lower rates are needed on some routes than commercial underwriters could soundly offer and that the administration is coming as close to a subsidized rate as it can without subjecting itself to justifiable criticism for exceeding its legal power.

Rates Are Compared

Following are the routes on which administration has promulgated rates, the right hand column being the rates of the commercial market:

Voyage	W.S.A. Coml. Rates	Rates
U. S. Atlantic to or from Egypt via Cape of Good Hope	5%	6%
U. S. Atlantic to or from India, not east of Cape Cormorin via Cape of Good Hope	5%	6%
U. S. Atlantic to or from Africa not beyond Capetown	2½%	*3%
U. S. Pacific to or from Hawaii	1%	1½%
U. S. Pacific to and from Alaska beyond Seward	1%	1½%
U. S. Pacific—coastwise	¼%	½%
U. S. Atlantic—coastwise, including tankers	1%	†1½%
U. S. Atlantic—Gulf and others	34%	§

*To points not south of Lobito; 4% to points between Lobito and Capetown.

†In tankers; 1% for other vessels.

§No comparable voyage classification.

Rules of the war shipping administration governing the new cargo insurance give an idea of the complex requirements to be met by shippers on each shipment. The rules are as follows:

1. All risks should be submitted by letter or telegram to the war shipping administration, Washington, attention of the wartime insurance committee. If offered by telephone, telegraphic confirmation must be received before any quotation will be made.

2. Requests for quotations should be received by the insurance committee not later than 4 p.m. (EWT) on the date quotation is desired.

3. All requests for quotations should contain the following information: (a) Name of party to be insured; (b) payee in event of loss; (c) name of vessel or steamship line, if known; (d) description and quantity of goods; (e) identification of goods insured, such as marks and numbers, bill of lading number, or other specific identification; (f) voyage to be insured; (g) amount of insurance; (h) anticipated date of shipment (from point of origin, whether port or interior).

How Payment Is Made

4. Unless otherwise stipulated by the committee, quotations will hold good until 3 p.m. (EWT) of the first business day following quotation and will expire at that time if not accepted.

5. Acceptance of quotation must be evidenced by (a) telegraphic notice to the insurance committee filed prior to 3 p.m. (EWT) of the first business day following quotation, and (b) delivery of a certified check, cashier's check or money order, made payable to the war shipping administration and bearing the serial number of the binder for identification, to the war shipping administration, Washington, or any of the following district agents and/or managers: Baltimore; Los Angeles; New Orleans; New York; Norfolk; San Francisco; Seattle; not later than 3 p.m. (EWT) of the first business day following quotation.

Must Ship Within 30 Days

6. Risks insured by the war shipping administration must be shipped and in

transit within 30 days of date of binder, unless extension of this period is granted by the insurance committee.

7. If transit of goods is interrupted or terminated by the shipper, the consignee, or the assured, or any party acting under their instructions, the insurance shall forthwith terminate unless otherwise agreed on behalf of the war shipping administration by the insurance committee.

Valuation Basis Given

8. All insurances shall be subject to the following clauses, unless otherwise stipulated by the binder:

(a) "In event of loss the valuation of the goods insured hereunder shall not exceed the invoice cost, or if there be

no invoice the value of the goods at time and place of shipment, plus transportation and insurance costs actually incurred with respect to the shipment, plus 10 percent."

(b) "Warranted that the goods insured hereunder have not become water borne on overseas vessel on or prior to the date of this insurance."

9. The war shipping administration reserves the right to decline to quote on any risk submitted, or to defer quoting on risks where prompt sailing of the vessel is not anticipated.

Western Millers Mutual Fire, has been elected president to succeed the late Eugene D. Lyle. Carl W. Trapp, assistant secretary, was elected secretary. R. A. Ridgway, president of National Protective, who has been an active director, becomes treasurer. K. E. Willis, with the company some time, was elected assistant secretary. James C. Lyle, Leavenworth, Kan., son of the late president, was made a director.

One of the most disastrous fires in the history of Miami, Okla., destroyed the Banfield Brothers packing plant there with loss estimated at \$150,000, partly covered by insurance.

Rogers Heads Western Millers

KANSAS CITY—R. M. Rogers, secretary-treasurer for several years of



A n insurance policy must fit its role perfectly and then perform 100% when a claim arises. To be sure your client has top protection, study his needs so that the right coverage in kind and amount can be applied. For top performance place his risk in a company that can be depended upon under all circumstances—one of the Fireman's Fund Group.



Fire . Automobile . Marine Casualty . Fidelity . Surety

FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company—Occidental Insurance Company
Home Fire & Marine Insurance Company
Fireman's Fund Indemnity Company—Occidental Indemnity Company

SAN FRANCISCO • NEW YORK • CHICAGO • BOSTON • ATLANTA

Premiums on Principal Lines in 1941

AMERICAN ALLIANCE

	Net Premiums	Losses Paid
Fire	\$1,560,419	\$ 609,486
Tornado-windstorm	75,031	32,344
Sprinkler leakage	9,006	1,904
Riot and explosion	17,991	958
Earthquake	4,821	...
Hail	103,193	68,966
Motor vehicle	197,323	89,191
Inland marine	81,023	23,111
Aircraft	49,991	25,197
Extended coverage	117,632	31,226

AMERICAN, N. J.

	Net Premiums	Losses Paid
Fire	\$10,579,241	\$ 4,010,736
Tornado-windstorm	582,690	450,244
Sprinkler leakage	41,554	11,710
Riot and explosion	127,265	6,026
Earthquake	18,022	1,7
Hail	194,410	59,522
Motor vehicle	2,059,413	1,174,827
Ocean marine	1,826,964	601,129
Inland marine	1,830,941	1,080,156
Aircraft	39,486	39,111
Other lines	922,562	85,665

AMERICAN CENTRAL

	Net Premiums	Losses Paid
Fire	\$1,648,484	\$ 624,264
Tornado-windstorm	63,312	50,834
Sprinkler leakage	6,515	1,085
Riot and explosion	15,411	573
Earthquake	2,090	...
Motor vehicle	507,812	259,980
Inland marine	91,390	40,867
Other lines	140,946	43,632

AMERICAN EAGLE

	Net Premiums	Losses Paid
Fire	\$2,103,946	\$ 997,875
Tornado-windstorm	61,498	25,497
Sprinkler leakage	16,397	6,140
Riot and explosion	25,925	1,437
Earthquake	4,553	...
Hail	24,285	16,438
Motor vehicle	974,230	409,195
Ocean marine	645,623	217,549
Inland marine	196,855	84,419
Aircraft	14,193	14,389
Other lines	163,339	20,153

BRITISH GENERAL

	Net Premiums	Losses Paid
Fire	\$274,243	\$ 105,146
Tornado-windstorm	10,919	8,773
Sprinkler leakage	1,121	187
Riot and explosion	2,635	99
Earthquake	359	...
Motor vehicle	87,740	44,920
Inland marine	30,197	13,614
Other lines	24,290	7,528

CALIFORNIA

	Net Premiums	Losses Paid
Fire & extended coverage	\$1,118,294	\$ 426,634
Tornado-windstorm	39,836	31,991
Sprinkler leakage	4,096	682
Riot and explosion	9,672	360
Earthquake	1,312	...
Motor vehicle	319,700	163,674
Inland marine	30,954	15,638
Other lines, flood	59	164

CAMDEN

	Net Premiums	Losses Paid
Fire	\$3,860,039	\$ 1,379,678
Tornado-windstorm	126,090	89,175
Sprinkler leakage	13,862	2,254
Riot and explosion	37,122	457
Earthquake	6,322	...
Hall	26,812	23,727
Motor vehicle	1,725,426	962,654
Ocean marine	271,998	125,391
Inland marine	538,185	205,431
Aircraft	988	154
Other lines	706	68
Extended coverage	339,573	101,819

CENTURY

	Net Premiums	Losses Paid
Fire	\$981,508	\$ 499,146
Tornado-windstorm	36,871	24,541
Sprinkler leakage	5,798	847
Riot and explosion	22,463	382
Earthquake	4,072	...
Motor Vehicle	139,839	60,508
Ocean marine	1,153,324	323,197
Inland marine	88,879	44,442
Other lines	75,430	21,649

COLUMBIA, N. J.

	Net Premiums	Losses Paid
Fire	\$40,456	\$ 167,962
Tornado-windstorm	24,795	19,159
Sprinkler leakage	1,768	498
Riot and explosion	3,644	295
Earthquake	768	1
Hall	8,273	2,533
Motor vehicle	89,337	49,993
Inland marine	65,855	39,670
Other lines	39,257	3,645

COMMERCE

	Net Premiums	Losses Paid
Fire	\$1,220,160	\$ 466,218
Tornado-windstorm	35,063	21,043
Sprinkler leakage	4,550	1,534
Riot and explosion	35,825	324
Earthquake	764	...
Hall	15,133	2,075
Motor vehicle	233,511	196,035
Ocean Marine	1,895	987
Inland marine	35,361	12,214
Extended coverage	102,833	19,054

COMMONWEALTH

	Net Premiums	Losses Paid
Fire	\$1,377,580	\$ 473,140
Tornado-windstorm	35,341	24,044
Sprinkler leakage	7,915	470
Riot and explosion	9,982	392
Earthquake	1,784	...
Water damage	4,244	1,522
Motor vehicle	391,821	152,776
Ocean marine	75,388	17,858
Inland marine	169,205	43,357
Aircraft	1,905	1,923
Rain	3,581	1,284
Extended coverage	136,617	44,697

COUNTY FIRE, N. Y.

	Net Premiums	Losses Paid
Fire	\$ 383,027	\$ 139,786
Tornado-windstorm	18,756	6,469
Sprinkler leakage	2,502	416
Riot and explosion	4,958	195
Earthquake	1,384	...
Hall	20,639	13,781
Motor vehicle	39,846	17,838
Inland marine	16,836	4,629
Aircraft	9,998	5,039
Extended coverage	25,326	6,663

COMMERCIAL UNION, ENG.

	Net Premiums	Losses Paid
Fire	\$ 2,975,106	\$ 1,95,476
Tornado-windstorm	118,164	94,237
Sprinkler leakage	12,343	2,134
Riot and explosion	27,953	1,025
Earthquake	4,341	...
Motor vehicle	94,439	48,873
Ocean marine	2,107,705	485,439
Inland marine	1,244,437	461,900
Other lines	262,225	81,910

COMMERCIAL UNION, N. Y.

	Net Premiums	Losses Paid
Fire	\$ 641,849	\$ 245,893
Tornado-windstorm	24,977	20,063
Sprinkler leakage	2,566	428
Riot and explosion	6,047	226
Earthquake	2,249	...
Motor vehicle	200,574	102,686
Inland marine	30,566	13,626
Other lines	55,577	17,218

CONTINENTAL

	Net Premiums	Losses Paid
Fire	\$ 31,436,017	\$ 5,045,794
Tornado-windstorm	99,372	57,199
Sprinkler leakage	6,497	1,025
Riot and explosion	17,755	4,235
Earthquake	5,865	...
Motor vehicle	1,232,000	483,439
Ocean marine	1,232,000	461,900
Inland marine	1,232,000	461,900
Other lines	1,232,000	461,900

DIXIE FIRE

	Net Premiums	Losses Paid
--	--------------	-------------

RELIANCE

Fire	\$ 599,118	\$ 232,815
Tornado-windstorm	14,836	7,887
Sprinkler leakage	2,504	271
Riot and explosion	7,900	139
Earthquake	2,225	9
Motor vehicle	493,845	289,892
Ocean marine	126,285	33,893
Inland marine	66,071	25,076
Other lines	45,996	10,479

ROCHESTER AMERICAN

Fire	\$ 604,681	\$ 270,643
Tornado-windstorm	33,762	12,938
Sprinkler leakage	4,303	797
Riot and explosion	8,556	386
Earthquake	2,349	—
Hall	41,277	27,563
Motor vehicle	79,311	35,676
Inland marine	33,940	9,251
Aircraft	19,997	10,079
Extended coverage	48,852	12,908

ST. PAUL F. & M.

Fire	\$ 5,901,494	\$ 1,986,233
Tornado-windstorm	450,778	286,674
Sprinkler leakage	27,602	5,199
Riot and explosion	52,579	343
Earthquake	19,730	—74
Hall	657,929	453,978
Motor vehicle	2,601,775	1,185,453
Ocean marine	3,544,690	1,314,968
Inland marine	2,026,954	895,693
Aircraft	160,178	79,403
Extended coverage	563,303	165,832

SECURITY NATIONAL

Fire	\$ 304,379	\$ 111,239
Tornado-windstorm	17,937	27,338
Riot and explosion	615	—
Motor vehicle	25,950	16,363
Extended coverage	56,324	35,556

SOUTH BRITISH

Fire	\$ 101,475	\$ 33,138
Earthquake	592	—
Extended coverage	6,062	586

STANDARD MARINE

Motor vehicle	\$ 97,654	\$ 38,609
Ocean marine	1,581,656	497,152
Inland marine	509,365	183,040

SUN

Fire	\$ 2,797,944	\$ 1,162,900
Tornado-windstorm	75,401	49,558
Sprinkler leakage	12,049	3,273
Riot and explosion	40,493	1,842
Earthquake	13,087	17
Motor vehicle	981,843	461,830
Ocean marine	1,013,593	261,126
Inland marine	159,982	65,380
Other lines	218,359	57,110

SUN UNDERWRITERS

Fire	\$ 466,205	\$ 177,199
Tornado-windstorm	11,911	4,899
Sprinkler leakage	1,686	199
Riot and explosion	3,016	122
Earthquake	1,176	—
Motor vehicle	115,228	61,709
Inland marine	76,338	31,538
Other lines	40,385	11,622

UNION, ENG.

Fire	\$ 726,463	\$ 286,596
Tornado-windstorm	28,918	23,219
Sprinkler leakage	2,976	495
Riot and explosion	7,037	181
Earthquake	954	—
Motor vehicle	231,960	118,155
Inland marine	30,668	13,629
Other lines	64,375	19,929

UNION, CANTON

Fire	\$ 429,739	\$ 64,627
Tornado-windstorm	5,294	1,678
Sprinkler leakage	1,875	15
Riot and explosion	5,230	410
Earthquake	4,505	—
Motor vehicle	5,862	799
Ocean marine	1,209,326	628,278
Inland marine	121,542	9,829
Other lines	32,794	542

UNION, IND.

Fire	\$ 29,788	\$ 9,355
Tornado-windstorm	13,849	3,291
Motor vehicle	787,577	430,292
Plate glass	17,981	10,214

NEW YORK

SMITH HEADS N. Y. BOARD

A. J. Smith, president of Zweig, Smith & Co., has been elected chairman of the New York Board and W. A. Riordan, assistant general manager of the Aetna Life group, was elected vice-chairman.

The board voted an assessment of 25 cents per \$100 for the 12 months ended Dec. 31, 1941, at an estimated figure of \$28,861,719, which will provide \$72,154 toward expenses of the other bureaus of the board for the current 12 months ending Dec. 31, 1942. The assessment is the lowest that was ever made by the board. In 1940, it was 40 cents and in 1941 it was 30 cents.

DRUG & CHEMICAL ELECTION

W. J. Reynolds, vice-president of Corroon & Reynolds, has been elected presi-

dent of the Drug & Chemical Club of New York. The vice-president is F. J. McDonough, a chemical man; treasurer, A. J. Smith, secretary Zweig, Smith & Co.

Ohio Hardware Mutual Reduces Dividends

Ohio Hardware Mutual of Coshocton has put into effect a reduction in dividends to policyholders. A number of mutual companies in the past few weeks have announced a similar course. The dividends on the general fire business are reduced to 20 percent from 25 percent. Ohio Hardware Mutual continues to issue non-participating policies at a deviation of 20 percent from tariff rates. On automobile policies there will be no dividend at all paid on collision instead of the 15 percent that has been paid previously and the dividend on fire, theft and comprehensive is reduced to 15 percent from 25 percent.

New automobile business except automobile and implement dealers' policies is now being written on a non-participating basis at a 15 percent deviation. The dividend rate on dealers' policies covering fire and theft is 20 percent.

Changes, too, have been made in policies of the United Hardware & Imple-

ment Mutuals and on Ohio Hardware Mutual's portion of combination policies issued with Shelby Mutual Plate Glass & Casualty.

Hanover Writings

Increase 19%

Premiums of Hanover Fire last year amounted to \$8,041,634, an increase of \$1,302,512 or 19.33 percent. This increase comes on top of a gain of \$1,144,122 in 1940.

The premium reserve now amounts to \$6,748,322, an increase of \$911,446. Because of the large increase in premium reserve and difference in market values of securities, surplus on a market value basis was reduced to \$7,821,038 from \$9,035,327 the previous year.

The expense ratio dropped from 46.58 to 44.16 percent and losses increased from 46.75 percent to 48.33 percent.

cured by the Great American group to be assistant manager of the St. Louis service office. He was formerly marine special agent of Fireman's Fund located in St. Louis and later in Omaha. Later he was manager of a local agency at Fairbury, Neb.

Pending the appointment of manager for the St. Louis service office, it will be in direct charge of Agency Superintendent W. A. Harvey of the western department.



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Our monthly magazine "The Pioneer" contains many interesting articles showing how effectively the analysis plan works. Send for a copy now of the current issue. Write to The Employers' Group Publicity Dept., 110 Milk St., Boston.

The Employers' Group

NEWS OF FIELD MEN

Hix Returns to Hartford; Travels Oklahoma Field

H. J. Hix, who has been manager of the fire insurance department of a local agency at Tulsa for the past 15 years, has resigned to become special agent in northern Oklahoma for Hartford Fire, assisting State Agent George Wyatt. It is interesting that Mr. Hix's appointment was made by Clem E. Wheeler of Smith & Wheeler, western managers of Hartford Fire, since Mr. Wheeler in 1908, then manager of the Tennessee Inspection Bureau, employed Mr. Hix as draftsman and map boy.

Mr. Hix has been closely associated with Mr. Wheeler ever since. He followed Mr. Wheeler to Kentucky, Wisconsin and Missouri when Mr. Wheeler was manager of the inspection bureaus in those states. When Mr. Wheeler became associate manager of Hartford Fire, Mr. Hix was made engineer and special agent at Wichita. In 1927 Mr. Hix entered the agency business in Tulsa and his agency has always represented Hartford Fire.

Defense Talk to Pine Tree Club

Capt. W. P. Hancock of the Maine state police described Maine's defense measures before the members at a dinner of the Pine Tree State Field Club in Portland with about 40 in attendance.

Austin V. McKown, Jr., state agent of the New Hampshire, said Maine authorities are considering the motor patrol service as installed by the Connecticut Field Club to determine how Maine field men can best contribute to defense.

The club will hold monthly meetings until summer instead of the regular quarterly meetings as has been the practice. C. R. Johnson of Hartford Fire discussed the meeting held in Boston on inspections of manufacturing and industrial plants, a subject that will be further discussed at the March meeting.

Members paid tribute to Commissioner Francis of Maine, who died recently.

Radcliffe with Hartford Fire

Lawrence Radcliffe, formerly an agent at Marcus, Ia., recently was appointed a hail special agent in Iowa for Hartford Fire. Mr. Radcliffe previously has served the company as a hail adjuster, as well as Home of New York and America Fore.

Form Wisconsin Speakers Group

Harold Watson, Security of New Haven state agent in Wisconsin, has been elected president of the Wisconsin Insurance Forum, a speakers bureau arranged by field men. Albert Reiderer, National Union, is vice-president, and Clarence Boe, Travelers Fire, secretary-treasurer.

Coast Field Men of American Brought Together

Paul B. Sommers, president, and F. W. Doremus, western manager of American, are in San Francisco this week conducting a meeting of field men of the Pacific Coast department of which Allen Talmadge is manager. Mr. Doremus and Mr. Sommers went to the coast together, accompanied by their wives and they will remain on the coast for a time. Mr. Sommers had been in Rockford, Ill., for the middle western field conference of his company.

Legion Man Is Speaker

H. L. Chaillaux, chairman of the Americanization committee of the American Legion, spoke on "Making America Strong," at a well-attended meeting of the Indiana Fire Underwriters Association, sponsored by its educational committee. W. R. Caskey, Travelers Fire, chairman of that committee, presided. He urged activity in combatting subversive influences which are deliberately trying to undermine the government and to interfere with full war material production.

Security Field Men Gather

The Security group held its annual three-day meeting for all field men east of the Rockies at the home office this week. Peter J. Berry, president, presided. Wednesday morning was devoted to Connecticut Indemnity. B. S. McKeel, manager general cover department, and Jerome van Wiseman, Insurance Coordination Board, spoke.

Kremer Smoke & Cinder Speaker

PITTSBURGH—The Smoke & Cinder Club will hold its "old timers" meeting March 16 instead of March 2 as previously announced. The principal speaker will be Charles S. Kremer, president of Hartford Fire and an honorary member of the club.

Ohio Speakers Group Meets

COLUMBUS—At the meeting this week of the Ohio Stock Fire Insurance Speakers Association, President Charles Lamb, Automobile, announced these new members of the executive committee: Clark W. Little, Sun; E. C. Knoop, Home, and James A. Neilan, Norwich Union. C. R. Hartwell, Western Factory, was chosen chairman of the executive committee. Mr. Neilan is chairman of the program committee. J. P. Rockenfield, Automobile Protective and Information Bureau, Chicago, spoke on the working of that organization. Mr. Hartwell will speak March 2 on "Insurance in a Changing World." The speakers March 9 will be Mr. Void and

Joseph J. Such, Automobile. They will select their own subjects. The executive committee discussed plans for increasing attendance at meetings and working out interesting programs.

Joint Ia. Fire-Casualty Meeting

The Iowa Blue Goose and the Des Moines Casualty & Surety Club will hold a joint meeting March 9 at which a film on Canada will be shown.

F. A. Williams to Salt Lake

F. A. Williams, special agent at Oklahoma City of North America, has been transferred to Salt Lake City.

Change Ohio Meeting Date

The Ohio Fire Underwriters Association will hold its next meeting in Columbus March 10 instead of March 3, the regular date.

Prairie Succeeds Owens

American of Newark has appointed William Prairie special agent in Oregon. He succeeds Crosby Owens, now first lieutenant at Ft. Benning, Ga.

March Hull Rates Given

The American Marine Insurance Syndicate has announced for March the

same schedule of hull war risk rates that was approved by the maritime commission for the last half of February. The war shipping administration, which has since taken over the duties of the maritime commission in connection with insurance, has continued the lower schedule of rates which it announced for certain voyages.

Start Plans for Denver Parley

DENVER—The first meeting of the local committee to make plans for the convention of the National Association of Insurance Commissioners here June 8-10 was held in the offices of Security Life & Accident, whose president, W. Lee Baldwin, is chairman of the committee. Mr. Baldwin states that the convention is being planned in a "more serious vein" than previous meetings because of the war situation.

Marine Departments Move

NEW YORK—The joint marine departments of Union Marine & General and Norwich Union Fire have leased the two-story and basement building at 2 Platt street to accommodate their expanding business.

What about your future? See page 30.

SOUND PROTECTION plus SERVICE

43rd Annual Report Dec. 31, 1941

Assets	\$3,095,001.21
Liabilities	1,026,570.49
Capital	1,000,000.00
Unearned Premium Reserve	648,647.25
Surplus to Policy-holders	2,068,430.72

29th Annual Report Dec. 31, 1941

Assets	\$1,976,194.80
Liabilities	434,205.45
Capital	500,000.00
Unearned Premium Reserve	310,305.50
Surplus to Policy-holders	1,541,989.35



NORTHWESTERN TWIN CITY FIRE FIRE & MARINE INSURANCE CO. INSURANCE COMPANY MINNEAPOLIS, MINNESOTA

BUY DEFENSE BONDS AND STAMPS

February 20, 1942

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CHICAGO

BACON, WHIPPLE ANNOUNCEMENT

The Chicago investment firm of Bacon, Whipple & Co., announces that they have become members of the New York Stock Exchange.

The firm, established in 1926, has originated and underwritten new issues of stocks and bonds, as well as having participated in many outstanding security offerings in which nationwide syndicates were formed. Another important activity of Bacon, Whipple & Co. is their insurance stock trading department headed by Howard W. Cornelius, who has been identified with insurance securities for the past 28 years. He became associated with the firm in 1932, and prior thereto, headed his own investment firm.

The principals of Bacon, Whipple & Co. have played an active part in every phase of the security business in Chicago and on a national scale. William T. Bacon was formerly governor and treasurer of the Investment Bankers Association of America and has also served as a Governor of the Chicago Stock Exchange. Jay N. Whipple is currently serving the association as a vice-president and is chairman of the national educational committee of I.B.A. Messrs. Whipple and Bacon have both been president of the Bond Club of Chicago. Other partners of the firm are: James W. Marshall, William D. Kerr, J. Preston Burlingham and Donald M. Haseltine.

MEEKER-MAGNER TO ENLARGE

Meeker-Magner Company, Chicago agency, is planning to enlarge and completely modernize its office in the Insurance Exchange. This is the 40th anniversary year, and the 40th year of representing General Accident as general agent.

About 1,500 additional feet adjoining the present office, now occupied by a part of the General Accident claim department will be used for the agency's office brokers and other departments. The claim department will move to much larger quarters on the 17th floor of the Insurance Exchange.

All new walnut furniture and modern equipment will be installed in the agency office, which will be more efficiently arranged. There will be a comfortable reception space and all underwriters will be located nearby so they may be quickly available to brokers.

Meeker-Magner has been located in the Insurance Exchange since it was opened in 1912, having started in a small room, which is a part of the present space. F. J. Schafer, vice-president in executive charge, has held that post since 1925, previously having been General Accident's claim department manager in Chicago since 1912.

RESIGNS DISTAFF POSTS

Lillian L. Herring, secretary Insurance Federation of Illinois, Chicago, has resigned as chairman of the board and publicity chairman of the Insurance Executives Distaff Association for the duration of the war. These vacancies will be filled at the next board meeting. She is much engrossed in Red Cross work and finds she must set aside some of her other outside activities.

ROBERTSON BACK IN CHICAGO

W. P. Robertson, resident vice-president of the North America, has now returned to Chicago after having been on the coast for several months looking after the affairs of the Pacific Coast department.

Spaid, Hurd to Home Office of American

At the meeting of fieldmen of the western department of American held in Rockford, Ill., President Paul B. Sommers announced the transfer of Oricon M. Spaid and E. R. Hurd, Jr., from the western department to the home office at Newark so that all creative production work could then be centralized for the entire country.

These men will join with Harold E. Taylor in the development of this type of work which has passed through its experimental stages in the states under the jurisdiction of the western department.

Besides President Sommers the other guests at the field meeting were Secretary L. E. Kietzman from the home office together with Harold E. Taylor, also John B. Reams, Rocky Mountain manager, Ben F. McKeel, head of the General Cover Department from New York, Ray Sullivan, Chicago manager of Marine Office of America, E. L. Stephenson, Chicago manager Associated Aviation Underwriters, and John B. Munson, vice-president Bankers Indemnity Chicago office.

Licenses of Five Are Restored

(CONTINUED FROM PAGE 4)

ferred with Mr. Miller and Mr. O'Brien and he received additional information concerning the Union Electric's insurance business that the government in its efforts to convict Egan and the company did not detail clearly. This information apparently gave Mr. Scheuer an entirely different picture.

He also agreed that Mr. Lawton and Mr. Miller could place their personal business with associates in their agency or through other agents or brokers pending the outcome of the hearings.

What about your future? See page 30.

IN U. S. WAR SERVICE

William Wickham, of the legal department of Standard Accident and director of its study club, has enlisted in the naval reserve. He will be attached to the office of Commander R. E. Thomas, Coast Guard reserve district, Cleveland. George Franklin, underwriter in the automobile department, will take active charge of the club for the remainder of the current course.

Robert Gruhn, son of A. V. Gruhn, general manager of the American Mutual Alliance, Chicago, has been in the army service at Langley Field, Va., since the first of the year, having volunteered, and he has just returned to his post after having been with his parents during a short leave. He is attached to the signal branch. He left the University of Chicago law school to enter the army.

Francis M. Mitchell, marine special agent of Providence Washington in St. Louis, has enlisted in the navy. He has been in St. Louis about a year and previously was in the Chicago western marine department of Providence Wash-

ington.

R. S. Ross, local agent at Shenandoah, Ia., a reserve officer, has been called to duty and joined the army at Camp Waller, Tex.

Gordon Rennie, special agent in Seattle of Swett & Crawford, has been inducted into the army at Fort Lewis, Wash.

Dwight Gutsch, formerly of the Mason agency, Salina, Kan., is in the radio division of the army air corps, located at Scott Field, Ill.

W. S. Ramey of the G. L. Ramey & Sons general agency, Indianapolis, has entered the service and is now with the fourth pursuit squadron of the 52nd pursuit group, until recently stationed at Selfridge Field, Mich. He was formerly Indiana state agent of Corroon & Reynolds.

Edmund C. Armes, vice-president of the Jemison-Seibels agency of Birmingham, and former president of Birmingham Association of Life Underwriters, has received appointment as a major in the Army Air Corps and is awaiting or-

Sweeney U. S. Head of Caledonian

HARTFORD—Caledonian and Netherlands announce that Raymond T. Sweeney will succeed Robert R. Clark as United States manager. Mr. Sweeney gained his early experience with a local agency and entered Caledonian in 1927. After a successful record in the field he went to the home office and has been assistant manager of the companies since 1934.

Henry Carter, recently elected president of Caledonian-American, will be a member and chairman of the United States boards of Caledonian and Netherlands.

ders to go on duty. Having served as a member of the Alabama National Guard's 106th Observation Squadron for many years, he made application for restoration to active duty in December, just after the Pearl Harbor attack.

Virgil R. Garrett, staff adjuster-attorney with Sheffer-Cunningham, Wichita adjusters, has been called to active service in the navy and expects to take his training in Chicago.

Wm. R. Piper, of the Dulaney, Johnson & Priest agency of Wichita, is now a flying cadet at Williams Field, Chandler, Ariz. Lt. Chas. W. Black of the same agency is at the U. S. gunnery school, Las Vegas, Nev.

Capt. George H. Cockburn, Jr., son of G. H. Cockburn, local agent of Cedar Rapids, Ia., is serving with the forces of General MacArthur in Bataan Peninsula. He was called to active service in December, 1940, and was ordered to the Philippines last September as an instructor. His family last heard from him at Christmas time.

W. O. Schilling, Jr., son of the manager of the Chicago department of United States Fidelity & Guaranty, who was formerly special agent in northern Illinois but who for some time has been a private in the 30th infantry at Ft. Lewis, Wash., has been assigned to the Officers Training Camp at Ft. Benning, Ga. He has made a good record in military life.

Financial Statements

December 31st, 1941

Assets

U. S. GOVERNMENT BONDS	\$1,318,410.20	-----	\$ 738,688.55
OTHER BONDS	187,644.71	-----	341,344.05
STOCKS	1,784,601.41	-----	229,350.00
CASH IN BANKS AND OFFICE	546,097.99	-----	203,200.95
PREMIUMS RECEIVABLE (Not Over 90 Days Due)	258,254.12	-----	67,786.76
ACCRUED INTEREST AND OTHER ASSETS	54,901.19	-----	15,322.84
	\$1,149,909.62	-----	\$1,595,693.15

Liabilities

RESERVE—For Unpaid Claims	\$ 757,097.24	-----	\$ 115,617.41
RESERVE—For Unearned Premiums	1,629,501.92	-----	481,806.77
RESERVE—For Taxes and All Other Liabilities	167,658.77	-----	68,726.11
TOTAL LIABILITIES	\$2,554,257.93	-----	\$ 666,150.29
STATUTORY DEPOSIT	\$ 500,000.00	\$500,000.00	
NET SURPLUS	1,095,651.69	429,542.86	
SURPLUS TO POLICYHOLDERS	\$1,595,651.69	-----	\$ 929,542.86
	\$4,149,909.62*	-----	\$1,595,693.15†

*Bonds and Stocks valued on basis approved by National Association of Insurance Commissioners. If actual December 31, 1941 Market quotations of Bonds and Stocks had been used the assets would be \$4,133,877.66 and the policyholders' surplus \$1,579,619.73. Securities carried at \$665,558.80 in the above statement are deposited for purposes required by law.

†Bonds and Stocks valued on basis approved by National Association of Insurance Commissioners. If actual December 31, 1941 Market quotations of Bonds and Stocks had been used the assets would be \$1,592,707.43 and the policyholders' surplus \$926,557.14. Securities carried at \$644,679.40 in the above statement are deposited for purposes required by law.

United States Trustee
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EDITORIAL COMMENT

Reflections on War Risk Insurance

THE question of policy and procedure in recompensing those who suffer property damage and personal injury due to enemy action and helping the families of those civilians that are killed in this way is evoking the most spirited and, indeed, at times bitter differences of opinion. The most heated controversy so far at least surrounds the problem of property damage. The Pepper bill in Congress which would set up a scheme of compensation for death and injury for all civilians has not yet engendered sharp debate and it seems to appeal to a large number of observers as a practical and reasonable solution.

The question of whether the private fire insurance companies should have gotten together and tried to formulate a scheme for giving protection against war caused damage to property appears to be pretty much an academic one now, because they did not do so and the government, it seems certain, will initiate a plan of some sort. Perhaps certain leaders in the business in so quickly after the Pearl Harbor attack publicly proclaiming that war damage insurance was not a proper field for private companies and that the responsibility should be assumed by the government, may have created the impression that they were acting impetuously. As a matter of fact, it was not an impetuous decision because a good many leaders in the business for a long time previously had determined that if and when the United States became an active belligerent they would close down completely on the writing of bombardment insurance. The timing of the proclamation, however, did give the impression to a good many persons that the companies had acted without full deliberation.

A good many in the business took a very gloomy view when the proclamation was issued, stating that it constituted a death knell for private insurance. To that notion we do not subscribe because, in our estimation, land war risk insurance is something entirely apart from any other form of insurance and, indeed, contains elements that conflict with true insurance principles.

In retrospect it might have been better from a public relations standpoint had an effort been made to see whether there were any possibility at all of the companies of all types getting together and sponsoring a private insurance plan in concert. We doubt very seriously whether any such agreement would have been forthcoming but for the record it might have been better

had the business gone through the motion. It would have been futile to have discussed all of the various plans that might have been devised unless it were first determined that there could have been 100 percent subscription to the general idea. Lacking such complete unanimity of opinion and intention, we would say that the private scheme could not have been offered.

One plan (assuming 100 percent participation) that looked attractive in blue print form at any rate included the attachment of an endorsement to all policies covering war damage for a nominal premium, all companies to insist that such insurance be included and each company guaranteeing a certain percentage of its surplus for the payment of war losses. There would have been one rate for the region between the Alleghenies and the Rockies and another higher rate for the Atlantic and coast regions. The premiums for this endorsement would under the plan have been segregated and used for war losses exclusively. If at the end of the war the premiums collected exceeded the losses, the difference would be turned over to the government.

However, that was only one of a number of ideas and it seems idle at this time to go into all of those things that might have been.

Apparently the most violent disagreement as to what should be done either by the government or the private companies in cooperation with the government, stems from the difference in the guesses as to what damage is likely to be suffered in this country due to enemy action. Those who are convinced that the worst that we may expect, at least at this stage of the war, are token bombings or shellings are naturally shaping their position as to war damage insurance accordingly, whereas those who fear the possibility of widespread devastation are swayed accordingly in their views.

As Silliman Evans, publisher of the Chicago "Sun," and former president of Maryland Casualty, pointed out in a recent talk, insurance projects the experience of a peaceful past into a peaceful future in estimating its liability and arriving at its premium charges, and he contended that it is impossible for the private companies to cross the barrier of war.

The spread of possibilities insofar as war damage is concerned is so extreme that in our estimation regardless even of what decision is made on the current War Damage Corporation bill the

final disposition of the problem will be based upon the results. For instance, suppose that a bill is passed that provides a certain amount of "free" insurance with provision for property owners to buy additional cover from the government. Then suppose that there should be an enemy attack on some region with a great deal of damage involving properties that were not insured beyond the limits of the "free" cover. It is entirely possible that then there would develop agitation for the government to compensate the property owners anyway just as a decision was made after Pearl Harbor to stretch the rules and make payments to the dependents of those in military service that were killed and had not purchased or applied for National Service Life Insurance. Such situations as these become public questions and the processes of government are such that public sentiment can be translated into action after the facts whereas the private insurance scheme would be compelled to hold to contract terms.

There is every indication that the in-

surance companies of all types and in all branches and the producing forces are prepared to do in an intelligent and effective way whatever the government desires to have done by the insurance industry in the way of providing service facilities for the War Damage Corporation. Here the insurance industry has a real opportunity. It would be manifestly silly for the government to set up a huge organization to put war damage insurance in effect and to make settlement of losses, merely to stand by when and if the emergency should arise.

The insurance industry can and will and, as a matter of fact, is mobilizing its service facilities so that they can be made available when necessary. The insurance business has exactly the machinery that is needed. The adjusting organizations have had plenty of experience in mobilizing their forces for work in conflagrations and in heavy windstorm losses. Here is a real opportunity for magnificent service. The facilities are here, at no cost, if not needed and at a nominal cost if needed.

Patman's Hearings a Luxury Today

We are disturbed at the prospect of the hearings that have been scheduled to commence March 9 before the small business committee of the House of Representatives to look into charges that discriminatory premium rates are charged to small business. These hearings were called by Representative Patman of Texas. Hearings of this kind, we believe, are in the nature of luxuries that could be afforded in times of peace but that should be dispensed with when all eyes are focused on production. The hearings would open up questions of insurance theory that could be debated endlessly and they might offer the opportunity for considerable competitive maneuvering on the part of stock and mutual interests. It might even be that after the atmosphere had been cleared

and the headlines produced in the early days of the hearings had vanished that some changes might be formulated that would be beneficial but the returns would not be commensurate with the cost to the public and the business in a day of war.

The New York department, the insurance commissioners in general and the business itself are giving a great deal of consideration to rating practices involving interstate risks, etc., and we believe that sufficient forces are already in motion to produce equitable and practicable adjustments without injecting an inflammatory congressional investigation, particularly since there is no sort of a conspiracy to put insurance disadvantages in the way of small business.

PERSONAL SIDE OF THE BUSINESS

Walter H. Wolf, assistant western department manager of American of Newark, was unable to attend the recent field meeting in Rockford because of the death of his mother, who resided in Chicago.

R. D. Sullivan, manager of Marine Office of America in Chicago, was aboard the Illinois Central train, the Land o'Corn, which crashed into a beer truck near Plano, Ill. He suffered a bruised arm and a wrenched back and neck, but was back at work the next day. He helped give first aid to the other passengers injured. The train was traveling 75 miles an hour when it hit the trailer of the truck. The speed was so great that beer bottles flew in the

windows and struck passengers. Mr. Sullivan was returning to Chicago from Rockford, Ill., where he had attended some of the sessions of the American of Newark field meeting. Half a dozen of the American's contingent from Chicago took a train immediately following the one that Mr. Sullivan boarded.

Reese F. Hill, chief of the insurance section in the office of the undersecretary of war, has been promoted to major. The most prominent of the key insurance men in the various Washington offices, Major Hill entered the army late in 1940 as a lieutenant and was promoted to captain early in 1941. He was given the responsibility of organizing the insurance section in the war depart-

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ment and of supervising the insurance aspects of contracts administered by the army under cost-plus-a-fixed-fee plans. He fostered the war department insurance plan, frequently referred to as the "Hill plan." His section is the policy-making unit of the war department as regards insurance and also directly supervises insurance for the branches of the army which have not set up their own insurance departments.

A graduate of The Citadel, famous military college at Charleston, S. C., Major Hill was connected with Fidelity & Casualty for 11 years. He was supervisor of underwriting at its Washington, D. C., office when he entered government service.

Thomas G. Linnell, Jr., son of the Minneapolis general agent, has enrolled in the school of business at Lake Forest college, Lake Forest, Ill. He is the third generation of Linnells to enter that institution.

L. E. Falls, vice-president of American, has now gone to Florida to recuperate from the effects of an operation to correct a condition that resulted from an automobile accident in Denver about seven years ago. The operation is believed to have been completely successful.

President C. F. Codere of the St. Paul Fire & Marine is on an extended business and vacation trip to the Pacific Coast. He is accompanied by Mrs. Codere.

Oscar W. Schmidt, Chicago class 1 agent who has been confined to the Evanston hospital for a couple of weeks with a heart ailment, has improved enough to be returned to his home. He is still not able to receive visitors. Mr. Schmidt, 72, is civil service commissioner of Cook county, a position he has held 25 years.

Sam T. Morrison, veteran Iowa City, Ia., local agent, was tendered a dinner there by Home at which E. H. Davis, state agent, presented him a 25-year service medal.

Commissioner Parker of Georgia and Mrs. Wilhelmina L. Gelissen were married recently.

E. Y. Dukes, secretary of Central States Fire, Wichita, Kan., and Mrs. Dukes are the parents of a son, their first born, who has been named Edward Norman.

R. E. Verner, Western Actuarial Bureau, Chicago, a director of Rotary International, addressed the Topeka Rotary Club on "Rotary Facing a Crisis."

Charles F. Liscomb, Duluth, Minn., past president of the National Association of Insurance Agents, is in Portland, Ore., and the Pacific Northwest looking after insurance and bombing requirements of some of his contractor-assured having defense projects in that area.

William Quaid, vice-president of the Home group, is touring Pacific Coast states on business.

DEATHS

Mrs. R. D. Watts of Beckley, W. Va., wife of the general manager of the R. D. Watts Insurance Agency, died Saturday morning. The funeral was held Monday afternoon. Mr. Watts is a

FIELD MAN WANTED
Man with following among non-affiliated agents in Wisconsin territory. Replies confidential. State age, experience, and salary desired. Address P-27, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

AVAILABLE

A local agent with 18 years experience desires to enter the field. Prefer fire line, and Northern Ohio territory. Address P-29, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

former president of the West Virginia Association of Insurance Agents. Mrs. Watts was a woman of unusual charm.

Ralph Dougery, of Missoula, Mont., adjuster with the Fire Companies Adjustment Bureau and former University of California football player, was killed instantly when the car he was driving crashed.

A. R. Marks of St. Louis, 56, state agent for St. Louis county and southern Illinois of Great American, died in a hospital at Cairo, Ill., last Friday morning. Two days previously he was struck and severely injured by an automobile, filled with youngsters, going at a fast clip, as he was crossing the street from his hotel to get his automobile.

Mr. Marks started in the business in 1900 as a clerk with German of Freeport, Ill. His grandfather was the first special agent for German of Freeport. He remained with that company until 1906 and then saw service with Concordia, Crum & Forster, Northwestern National, Svea and National Ben-Franklin until he joined Great American about 20 years ago. He traveled at first in Wisconsin for Great American, then was transferred to Illinois as state agent and about four years ago was shifted to St. Louis. He served as president of the Illinois Field Club in 1918-1919.

Mr. Marks was a brother-in-law of Harry B. Doten, proprietor of a hotel in Janesville, Wis., and a former insurance man in Illinois.

Funeral services for Mr. Marks were held in Freeport Monday, and were attended by a large number of his friends including a sizable delegation from the western department of Great American headed by Vice-president S. M. Buck.

Thomas E. Boyle, 46, president of the Peter W. Boyle Co. agency, Warren, O., founded by his father, died there.

E. A. Storvik, veteran Albert Lea, Minn., local agent, died. He had been a leader in regional and state association work.

Mrs. Cecil Williamson, widely known in the insurance business as Gertrude Fielding before her marriage in 1921, died in California. She was for many years secretary of the Wisconsin Field Club and was employed by the Fire Insurance Rating & Inspection Bureau.

John J. M. Dawson, 71, pioneer local agent at Viroqua, Wis., died there. He was a brother of Miles M. Dawson, well-known New York actuary. Lawrence Froiland, who has assisted in the agency for a number of years, will probably take over the management.

Mrs. Mabel Guy, 46, wife of J. E. Guy, superintendent of the automobile department of America Fore, Chicago, died there. She had been ill for two years.

Frank P. Leonard, who retired Jan. 1, 1941, as Cook county manager of Girard F. & M., and as local agent for Firemen's died unexpectedly Sunday in his apartment in New York where he had been residing since his retirement. He was about 77 years of age. Mr. Leonard had been Chicago manager of Girard F. & M. since 1927. Previously he had been Chicago manager of Marquette National of Chicago of which he was one of the organizers. Prior to engaging in insurance he was in the carriage manufacturing business in St. Louis and he had been in a number of other lines. He was a Spanish-American war veteran.

Mrs. Grace K. Hess, widow of Henry E. Hess, one-time manager of the New York Fire Insurance Exchange and later vice-president of Fidelity-Phenix, died at her Patchogue, L. I., home Sunday.

Edward R. Manning, 66, head of the insurance firm of Voth & Manning, Cleveland, died there. He organized the firm 20 years ago and headed it to the time of death. His father, the late Albert R. Manning, had also been in the insurance business after many years as a lake captain.

Albert S. Hatch of the Hatch Realty Company, Augusta, Ga., died there. The agency will be continued by his son, J. Milo Hatch.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business Feb. 24, 1942.

	Par	Div.	Bld	Asked
Aetna Cas.	10	5.00*	124	128
Aetna Fire	10	1.80*	47	49
Aetna Life	10	1.40*	25 1/2	27
Amer. Alliance	10	1.20*	21	22 1/2
Amer. Equitable	5	1.00	18	20
Amer. Home	10	1.50*	13	14
Amer. (N. J.)	2.50	.60*	13	6 1/2
Amer. Surety	25	2.50	48	50
Automobile	10	1.40*	35	37
Balt. Amer.	2.50	.40*	6 1/2	7 1/2
Boston	100	21.00*	555	575
Camden Fire	5	1.00	20	21
Carolina	10	1.40*	25	27
Contl. Cas.	5	1.50*	29 1/2	31
Contl. N. Y.	2.50	2.20*	58	40
Fidelity-Phenix	2.50	2.20*	37	39
Fire Assn.	10	2.50*	57	59
Firemen's (N. J.)	5	.40	9	10
Franklin Fire	5	1.40*	25 1/2	27
Gen. Reinsur.	5	2.00	38	40
Georgia Home	10	1.20*	23	25
Glen Falls	5	1.60	40	42
Globe & Repub.	5	.50	8 3/4	9 1/2
Gt. Amer. Fire	5	1.20*	25 1/2	27
Gt. Amer. Ind.	1	.20	10	12
Halifax	10	1.00*	11	12
Hanover Fire	10	1.20	24	25 1/2
Hartford Fire	10	2.50*	79	82
Home (N. Y.)	5	1.60*	27	29
Ins. Co. of N. A.	10	3.00*	68	70
Maryland Cas.	1		2	2 1/2
Mass. Bonding.	12.50	3.50	55	55

	Par	Div.	Bld	Asked
Mer. (N. Y.) Com.	5	2.00*	45	47
Natl. Cas.	10	1.00	22	23 1/2
Natl. Fire	10	2.00	55	57
Natl. Liberty	2	.40	6 1/2	7 1/2
Natl. Un. Fire	20	5.00*	152	158
New Amst. Cas.	2	.87 1/2	18	19
New Hampshire	10	1.80*	42	44
Northern (N. Y.)	12.50	5.00*	90	93
North River	2.50	1.00	23	24 1/2
Phoenix, Conn.	10	3.00*	75	83
Preferred Acci.	5	1.00	14 1/2	15 1/2
Prov. Wash.	10	1.40*	33	35
St. Paul F. & M.	62.50	10.00*	260	267
Security, Conn.	10	1.40	38	40
Sprgld. F. & M.	25	4.75*	110	115
Standard Acci.	10	2.50	48	50
Travelers	100	16.00	360	375
U. S. Fire	4	2.00	45	47
U. S. F. & G.	2	1.25*	24	25

Rhode Island's Gross War Premiums \$1,608,761

Since the Rhode Island is one of the very few companies that has written war risk insurance on land since the Pearl Harbor attack, there has been keen interest in determining from its annual statement what its premiums on that account have been. In 1941, its gross war risk writings amounted to \$1,608,761, of which \$889,009 was reinsured, leaving net premiums of \$719,751.

The total net direct business written, before reinsurance last year, amounted to \$8,280,966, as compared with \$4,529,000 the previous year. Reinsured business increased from \$2,186,000 to \$5,482,641.

What about your future? See page 30.

STATEMENTS IN Unique FORM

Boston Insurance Company

INCORPORATED 1873

Summary of December 31st, 1941, statement filed with Massachusetts Insurance Department

LIABILITIES	ASSETS
Losses in Process of Adjustment \$ 1,331,009	Cash \$ 1,331,009
Reserve for Losses Unreported 227,000	Cash 227,000
Reserve for Dividends 270,000	Cash 270,000
Unearned Premium Reserve 5,331,172	Cash 709,276
	U. S. Government Bonds 4,331,396
	U. S. Government Bonds and Notes 165,432
	Canadian Government Bonds 227,564
All Other Reserves and Liabilities 2,044,516	State, County and Municipal Bonds 669,364
	Railroad Bonds 303,791
	Public Utility Bonds 149,784
	Other Corporation Bonds 328,561
Capital \$ 3,000,000	Other Corporation Bonds 57,064
Surplus 13,374,092	Stocks 6,420,348
	Stock of Old Colony Ins. Co. 7,677,826
	Real Estate (Home Office Building) 973,000
	Premiums in Course of Collection and other Admitted Assets 1,243,914
	\$25,577,789

Old Colony Insurance Company

INCORPORATED 1906

Summary of December 31st, 1941, statement filed with Massachusetts Insurance Department

LIABILITIES	ASSETS
Losses in Process of Adjustment \$ 446,179	Cash \$ 437,517
Reserve for Losses Unreported 67,600	U. S. Government Bonds 8,662
Reserve for Dividend 50,000	U. S. Government Bonds 67,600
Unearned Premium Reserve 1,887,046	U. S. Government Bonds 50,000
All Other Reserves and Liabilities 164,811	U. S. Government Bonds 1,887,046
	U. S. Government Bonds and Notes 164,311
Capital \$ 1,000,000	State, County and Municipal Bonds 654,353
Surplus 6,554,610	Canadian Government and Municipal Bonds 110,329
	Railroad Bonds 208,994
	Public Utility Bonds 118,807
	Other Corporation Bonds 198,888
	Stocks 4,942,353
	Premiums in Course of Collection and other Admitted Assets 391,801
	\$10,169,746

FIRE • MARINE • AUTOMOBILE

Home Office: 87 KILBY STREET, BOSTON, MASSACHUSETTS

WHAT IS YOUR PLATE GLASS LOSS RATIO IN Detroit?



PETERSON GLASS COMPANY
2833 JOHN R STREET
CADILLAC 3707
DETROIT

Immediate
Service

February 26th, 1942.

Plate Glass Department,
Executive Officer,
Insurance Companies.

Gentlemen:

The writer recently attended a banquet of the Detroit Association of Insurance Agents, at which time Mr. Edward C. Stone, U. S. General Manager of The Employers' Liability Assurance Corp. Ltd., made a very interesting address.

In part, Mr. Stone's talk was to the effect that engineering departments of insurance companies would be doubly busy during our Country's War effort, and it occurred to us that we can be of greater assistance to your company.

As your engineers are busy at other tasks, we can relieve them of the surveying of plate glass, which has been our business for many years.

There are about 35,000 stores in the Detroit Area. Our files contain surveys of approximately 18,000 of them. These can be of considerable help to your Detroit Office or agents when they are asked to quote a premium on any of these risks. Or, we will be glad to make a survey of any location not in our files. You will find our service to be quick and accurate.

WE ALSO HAVE IN OUR FILES (attached to the survey) A RECORD OF ALL THE PLATE GLASS BREAKAGE REPLACED BY US DURING THE PAST TWO YEARS, so that when you get one of our surveys, we ask that you pay particular attention to the back of the report for a history of our experience. This data will be of value to you in your underwriting, and you cannot get it anywhere else.

We are enclosing a sample survey form which shows on the reverse side a record of breakage for the past two years. We would appreciate your comments or suggestions.

This service is available to all our customers without charge.

Yours very truly,

PETERSON GLASS COMPANY

J.C. Peterson
J.C. Peterson

JOP:C
Encl.

PETERSON GLASS COMPANY CAN
HELP REDUCE IT CONSIDERABLY
THROUGH ITS COMPLETE
SURVEY SERVICE...

FRONT OF
SURVEY FORM

2833 JOHN R STREET		CADILLAC 3707
LOCATION OF PREMISES	9830-50 Wyoming Avenue	
HOW OFTEN	Metal	CONDITION OF FRAME
DATE OF SURVEY	10/23/41	SURVEYOR
PLATE GLASS SURVEY REPORT FOR	Y	

NO. OF PLATES	DEPTH	REASON	DESCRIPTION OF GLASS
2	68	77	9830 - Tailor Shop
2	44	77	fronts
1	22	58	returns
2	76	77	door
2	44	77	fronts
1	22	58	returns
2	62	77	9830-42 - Bakery
2	44	77	fronts
2	22	58	returns
4	124	77	9846-50 - Grocery & Meat Market
1	42	77	fronts
1	22	58	returns
1	43	77	doors
1	87	77	9846-50 - Beer Garden
1	96	77	front on Orangelawn
2	72	77	return
2	44	77	door
1	22	58	return

- over -

BACK OF
SURVEY FORM

THE FOLLOWING REPLACEMENTS HAVE BEEN MADE
AT THIS LOCATION.

Dates	Location	Sizes	Amount
1/18/40	9850	1 - 22 x 58 door	\$ 9.46
2/3/40	9854	1 - 44 x 77 return	15.75
2/17/40	9854-42	1 - 62 x 77 front	22.51
9/23/40	9850	1 - 44 x 77 return	18.25
12/16/40	9834	1 - 22 x 58 door	9.46
12/21/40	9830	1 - 44 x 77 return	22.25
4/5/41	9850	1 - 22 x 58 door	9.46
5/29/41	9850	1 - 44 x 77 return	23.37

We invite those companies writing plate glass coverage to use this service. There is no cost or obligation.

WRITE TODAY

PETERSON GLASS COMPANY
2833 JOHN R STREET (CADILLAC 3707) DETROIT, MICH.

The NATIONAL UNDERWRITER

February 26, 1942

Page Nineteen

Traffic Accident Data Presented by the Travelers

Graphic Showing of Losses Sustained as Result of Automobile Crashes

HARTFORD.—Last year, when the need of human energy and natural resources proved more desperately urgent than ever before, the American people proceeded to liquidate more of their number and to demolish more of their mechanical facilities than in any year since the introduction of the motor car, according to a new booklet entitled "The Wreckord" just issued by Travelers.

The booklet is the twelfth in a series issued annually and presents a comprehensive analysis of the facts about accidents in which 40,000 persons were killed and almost 1,500,000 were injured in 1941. Both totals, it is pointed out, are the highest in the history of the automobile.

Impressive 1941 Figures

There were more than a million accidents during the year involving injury or death and several million others involving property damage only. Probably 1,000 automobiles a week were demolished beyond repair.

"The nation, if it is to succeed in its victory program, simply cannot afford a continuation of this waste of life, of man-hours, of hospital space, of machinery and of morale," the foreword states. "The record of death and injury is one that should leave every American with a sense of shame and should move every one of us to resolve that it shall never happen again."

Some of the increase in deaths and injuries can be laid at the door of drivers under 18 years of age and older drivers with less than a year's experience at the wheel, the analysis shows. Accidents also increased somewhat out of proportion in the 18 to 24 age group. Gasoline consumption and motor vehicle registration increased last year, but not in as great proportion as did accidents. Pedestrian deaths and injuries actually dropped from the totals for 1940. Weighing all these factors, the company's statisticians find no explanation for the abnormal record other than that drivers were more careless and reckless than ever before.

Highlights of the Report

Highlights from the annual report, based on official records from the 48 states, include the following facts:

Exceeding the speed limit was responsible for almost 42 percent of the fatalities. In no other year since the record has been kept has speed loomed so large as a factor in accidents.

Two out of every three persons killed

CASUALTY AND SURETY SECTION

Work Accidents Up 19% in Jan.

Safety Council Report Indicates Deterioration in Principal Industrial States

On the heels of an 8 percent increase in 1941, occupational accident deaths reported to 23 state compensation commissions continued their upward trend in January with 711 such deaths, as against 596 in January, 1941, the National Safety Council announces. The January total represented a 19 percent increase over January, 1941.

Reports from the principal industrial states indicate that the occupational accident problem should be of growing concern to industrial management, the safety council states.

Of the six states with the largest exposure Illinois had the largest increase for January, a jump of 127 percent, based on 59 deaths in 1942, compared with 26 in 1941. Connecticut, Georgia and Tennessee, with smaller total man-hour exposure than the six largest states, recorded larger percentage increases than Illinois—400 percent in both Connecticut and Georgia and 200 percent in Tennessee.

The council's preliminary estimate for all occupational accident deaths in all states during 1941, whether covered by compensation laws or not, is approximately 18,000, a 6 percent increase above 1940. Non-fatal occupational injuries for last year are estimated at 1,600,000, or about 14 per cent above 1940. About 70,000 of these, the council says, resulted in permanent disability.

Wage loss, medical expense and the overhead costs of insurance were set at \$750,000,000.

"Untrained employees, crowded plant conditions and the emergency need for top production at top speed will continue to present a serious accident problem to industrial management," the safety council says.

Medical Coverage Bill Passed

RICHMOND—The Virginia senate has passed a bill permitting medical benefit payments in automobile liability policies.

met death as the result of some reckless or illegal action on the part of a driver.

More than 90 percent of all vehicles involved in fatal and non-fatal accidents were in apparently good mechanical condition at the time of the crash.

More than 82 percent of all fatal accidents occurred on dry roads and 87 percent happened in clear weather.

A feature of this year's booklet is a quiz entitled "Off to Work You Go." It proves the folly of dawdling at home and then hurrying on the highway to make up for lost time and shows the "quizee" the exact hour he should get up in the morning in order to get to work safely and on time.

The Travelers will distribute more than 2,000,000 copies of the booklet this year in the interest of highway safety. Single copies or quantities are available through the company or any of its representatives.

N. Y. Truck Renters Risk Right to Drive

Mistakenly Rely on Public Service Body's Rule Holding Hirer Responsible

NEW YORK—Many New York state truck owners who customarily rent their equipment to other operators are failing to buy liability and property damage insurance because they assume that the state public service commission requirement holding the hirer responsible takes care of the truck owner's liability under the new New York financial responsibility law.

Much more of this hiring of trucks goes on than most people realize. It is largely due to the requirements of state public service commissions and the interstate commerce commission, in the case of inter-state truckers. A truck operator who has public service commission rights may have only one tractor-trailer outfit and do all the rest of his work with hired equipment. Owners of the latter do not find it worth while to obtain the necessary public service commission or I. C. C. rights. Thus there is a large class of truck owners who rarely use their equipment on their own jobs.

Owner Not Exempt

While it is true that the public service commission makes the hirer responsible, the financial responsibility law does not exempt the actual owner from its provisions. If a claimant chose to sue the owner instead of or along with the hirer and the owner could not meet the claim he would quickly be put out of business by the operation of the new financial responsibility law.

A number of companies fight shy of liability coverage on operators who hire trucks for much of their work. There is a big added hazard in the frequent failure of the hired truck's driver to report accidents. An operator using hired equipment may find himself served with a summons for an accident which happened two months before and about which he knew nothing. This is an extremely difficult type of claim to defend and companies do not like them.

Where both the hirer and the actual owner carry liability insurance the position that most companies are taking is that the hirer is primarily responsible and that the insurance carried by the owner comes in only as excess.

Ohio Federation Raps U. S. Health, Employment Cover

COLUMBUS.—The officers and executive committee of the Insurance Federation of Ohio have adopted a resolution opposing any legislation intended to provide health, accident and hospitalization benefits through the federal government. The federation urges that the "financing of the war should not be confused and complicated with basic and far-reaching changes and extensions in the unemployment and social security laws."

It declares that the federalization of unemployment compensation insurance and the expansion of the social security system to provide health, accident and

Safety Work Must Pierce Individual's Consciousness

Jesse Randall Makes Highly Motivating Appeal at New Orleans

NEW ORLEANS—Work accidents robbed the nation of 1,500,000,000 vital man-hours of production in 1941, Jesse W. Randall, vice-president of Travelers, asserted in his key-note address at the opening session of the Southern Safety Conference here. It takes 20,000 man-hours to build a fighter plane and 7,600 to build a tank, he observed.

This loss is criminal waste, he said. "The job of all of us who are exponents of conservation is to save production man-hours by keeping the workers of defense industries on the job and out of the first-aid room and the hospital.

"But the place of the individual American in the emergency safety campaign is an all important one," he said. "Inasmuch as he is the person who now is being injured, or who is now involved in accidents that injure others and cause damage to property, it follows that he is the one who must stop doing the things that result in accidents. There is a definite and valuable place for the work of organizations, leaders, supervision, enforcement officers, and instructors, but in the last analysis the success of the campaign must depend on the cooperative action of the individual American citizen."

Approaching the Individual

The individual should be informed that there is a vital need of preventing waste, both human and material; that such waste results directly from accidents. He then should have the causes of accidents explained to him, and finally, he should be told practical means of prevention.

Stating that 18,000 workmen had been killed and more than 1,475,000 others injured on the job during the past year, Mr. Randall gave a number of vivid examples, derived from insurance records, of how those work accidents interrupted important production.

"But accidents in manufacturing plants and in construction work are only a part of the whole picture," he continued. "In 1941, approximately 40,000 lives were lost, more than 1,480,000 persons were injured, and hundreds of thousands of dollars in property damage was caused in automobile accidents. Many of these men and women were active or potential defense workers. All of them were

(CONTINUED ON PAGE 29)

hospitalization benefits are contrary to the interests of the policyholders and of the general public because of the increased tax burden, which should not be increased other than for war activities.

State Farm Holds Annual Rally

State Farm Mutual Automobile of Bloomington, Ill., in 1941 had premiums of \$25,046,672. That was an increase of nearly \$7,000,000 over the record of the previous year or a percentage increase of more than 38. The entire premiums were for automobile insurance.

This amazing record of growth was announced at the annual meeting of the State Farm companies in Chicago this week by A. H. Rust, executive vice-president and treasurer.

In 1940, State Farm Mutual made a gain of 18 percent over the previous year and became the casualty company in the country with the greatest volume of automobile premiums. State Farm Mutual is a full cover company and writes the third party and automobile physical damage insurances under one charter.

Assets of State Farm Mutual are now \$25,510,220, an increase of about \$5,265,943. Premium reserve is \$6,504,246 and loss reserve \$7,760,617. Government bonds totaled \$7,000,000. The special voluntary reserve was increased by \$250,000 and now amounts to \$3,000,000 and net surplus is \$6,197,429, an increase of more than \$300,000.

The affiliated State Farm Fire had premiums of \$1,012,155, an increase of \$283,941 or 39 percent. Assets are \$1,040,773, an increase of 20 percent, and surplus to policyholders is \$409,938.

More Colossal Than Ever

Each year the agency convention of the State Farm companies becomes more colossal and colorful. Until 1936 the gathering was held in the home office city of Bloomington but the facilities there became insufficient and conventions since have been held in the Stevens Hotel, Chicago. This year the facilities of the Stevens were taxed to the utmost. More than 2,650 were seated for the banquet and the group was divided among the 12 dining rooms in the hotel. Then the crowd moved into the huge ballroom and there was scarcely room for another chair on the main floor or in the balcony.

The army might be able to get some tips on organization from the State Farm convention. Precisely at 6:15, as advertised, the entire group was seated at the tables in the 12 dining rooms and by 8 p. m., as scheduled, they had all moved into the ballroom. At 9 p. m. exactly the speaking program was brought to an end and the message from President Roosevelt was heard over loud speakers. Then at 9:30 was given the 15 act show featuring the best talent available from Chicago theaters and night spots.

Headline Speakers

The headline speakers at the banquet were Insurance Director Jones of Illinois and Alfred M. Best, president of the A. M. Best Company. G. J. Mecherle, chairman of the companies, and their founder, presided and he was in fine fettle. He has a resounding and commanding voice; his speech is packed with farm allusions which his audience relishes; he is now self-deprecating, now playfully boastful; now praising the speaker and now ribbing him. He made Mr. Best the victim of a long anecdote and the audience was highly entertained at Mr. Best's discomfiture. Mr. Mecherle is known to everyone as "the chief" and there is genuine affection for him in home and field.

R. T. Smith of Chicago, vice-president of A. M. Best Company, spoke briefly. Mr. Jones, in his talk, said that Mr. Mecherle's courage was proved by the fact that he started State Farm Mutual Automobile 20 years ago when business was at a low ebb and just after a large reciprocal domiciled in Bloomington had failed. Now, he said, State Farm Mutual is the largest "single line mutual company in the world." Mr. Jones urged insurance people to maintain at home a representa-

tive form of government in order to keep faith with the young men in military service.

Mr. Best made an interesting observation, quoting a friend of his in stock company ranks, to the effect that in the last 20 years a mutual company has emerged as the largest writer of automobile insurance in the country, State Farm Mutual; another mutual company has emerged as the largest writer of workmen's compensation, Liberty Mutual, and a third mutual company has emerged as the largest writer of accident and health, Mutual Benefit Health & Accident. He said that a stock company man remarked that the stock people might very well study the reasons for the success of certain mutual companies and see whether there are any lessons to be learned that could be applied to the operations of stock companies.

Mr. Best spoke hopefully of the outlook for automobile insurance this year. He said that the automobile premiums in 1941 amounted to about \$750,000,000. Of that amount about \$100,000,000 consisted of fire, theft, collision and comprehensive written largely by subsidiaries of automobile finance companies and the regular insurance people did not receive much benefit from that. Hence, the removal of the new car market should not reduce the fire, theft, collision and comprehensive premiums to a serious extent insofar as the regular insurance market is concerned. Moreover used car prices are going up which will help to sustain premiums. He predicted that the total number of cars in use will not be reduced and hence public liability and property damage premiums should hold up well. The cars that do go off the road, he predicted, will be the cars that have not heretofore been insured. Cars will be operated to a less extent and that should reduce the loss ratio. That will be very welcome, he asserted, because just a few months ago it looked as if P.L. and P.D. were destined to produce a loss for the companies.

He spoke of the Page Anderson financial responsibility law of New York and stated that prior to the enactment of the law it was estimated that only 28 percent of the cars in New York state were insured for P.L. and P. D., whereas now about 60 percent are insured.

Many Colorful Features

At the opening of the convention, there were unfolded elements even more colorful than in the past. There was featured a Highlanders' band of home office employees, with bagpipes and drums. It consisted of eight players and six dancers. There was a drum majorette who has a long list of trophies. The head bagpiper was Read Hanback of the statistical department of the life company. His wife had made all of the bagpipe costumes including Glen-garry bonnets, kilts, shoulder plaid, sporran. It turns out that Morris Fuller, vice-president of the life company, last year brought back from Canada a bagpipe which he presented to Mr. Hanback and the latter learned how to manipulate it and instructed the others. The audience presented an extremely colorful appearance. There were a large number of production clubs of one kind and another, and those that qualified for these organizations were clad in distinctive garb. For instance, the high toppers had top hats. Others were clad in sun visors and shields. Those from various states had special costumes.

Some of the delegates had cowbells, others had whistles, the Wyoming delegation carried cap guns which they set off frequently by way of applause. A large number of photographers were taking flashlight pictures. A contingent of marines raised the flag and took it down to the accompaniment of salutes

50 Year Man



FRANKLIN P. HORTON

Franklin P. Horton, treasurer and deputy manager of the United States branch of Employers Liability, was presented with a silver service by his business associates on the occasion of his 50th anniversary with the organization.

Mr. Horton is also trustee and treasurer of Employers Group Associates; secretary-treasurer and director of Employers Fire and American Employers.

on a miniature cannon. Most of the morning session was occupied with the presentation of prizes to the various top producers and as each winner was announced there would be a peal of bugles. Vernon Shurr of Indiana was the top man of the year, as he turned in 2,491 applications for all types of insurance. Morris G. Fuller, vice-president of State Farm Life, was master of ceremonies.

N. Eric Bell Presides

At the afternoon session, N. Eric Bell, Illinois state director, was the presiding officer. R. P. Mecherle, president of State Farm Mutual, gave a talk in which he said the company had decided to continue to hold agency conventions despite the fact that a suggestion had been made that these gatherings be called off for the duration. He said the management felt that conventions serve a very valuable purpose. He recalled that insurance had made great strides after the last war and he predicted that there will be a similar growth after this war. At the end of 1941, he said there were 840,000 policyholders in the automobile company. There were 1,786 employees in the organization and 6,993 licensed agents. He said that the turnover in agents is distressing. Last year 2,088 agents retired. He said that most of those agents that are permanent have a balanced production of all types of insurance.

Mr. Rust then gave his talk on the financial results of 1941. T. F. Campbell, secretary of State Farm Fire, gave a talk in which he emphasized the importance of reducing the fire loss. He said that the losses done by fire in this country last year were as great as the damage inflicted by Hitler over England. He emphasized the importance of keeping insurance protection in line with advancing property values.

Talk on Claims

F. B. Coleman, vice-president in charge of claims, gave a very interesting message. He said that one of the greatest problems in the claim department is the difficulty of getting competitive estimates from garages and repair shops. There have been some delays in getting repairs made because of

(CONTINUED ON PAGE 32)

F. L. Gray Life Department

The Fred L. Gray Company of Minneapolis, prominent in the fire and casualty business, has been appointed Min-

Confusion in Kan. on Auto Rates

The automobile public liability and property damage rates filed by the National Bureau of Casualty & Surety Underwriters, effective Jan. 12, were disapproved by Commissioner Hobbs. Bureau companies, however, maintain the increase is justified and have asked their agents to write business on the new filings, while many non-bureau carriers have complied with the commissioner's request to rescind the order for increase pending further investigation.

Commissioner Hobbs has asked the companies to continue charging rates in effect prior to Jan. 12, having disapproved new filings of all companies. He stated that automobile loss experience in Kansas for five years including 1940 was 37.2 percent and that this doesn't justify increased rates.

May Liquidate Mich. Reciprocal

LANSING, MICH.—As a result of a preliminary checkup by the Michigan department on the National Automobile Owners Inter-Insurance Association of Gladstone, Mich., placed in temporary receivership a week ago, Commissioner Berry has decided to ask for a liquidating receivership.

It appears, according to the commissioner, that the impairment will amount to at least \$60,000 or \$70,000 and that there is no hope of rehabilitation.

Chas. E. Jones in Chicago Post

Charles E. Jones, following 12 years of service with the railroad department of Provident Life & Accident, the past five as special representative, has joined the railroad department agency staff in the Chicago branch. Robert M. Van Elzen is now also connected with that department as service representative in the Chicago area.

Moran Speaks in Toledo

E. B. Moran, secretary of the Insurance Advisory Council of the National Association of Credit Men, was principal speaker at the annual get-together and installation of officers of the Toledo Association of Insurance Agents Feb. 25.

Launch Defense Bond Drive

DETROIT—A drive to get every one of the 35,000 persons engaged in some phase of insurance business in Michigan to buy war savings stamps and bonds on a salary allotment deduction plan is being sponsored by the Affiliated Insurance Interests of Michigan. W. G. Curtis, president National Casualty, is chairman of the group and Elmer Salzman, secretary-manager Detroit Association of Insurance Agents, is secretary.

Hear Physiotherapy Talk

Members of the Marathon County Medical Society were guests of the Employers Mutual Liability at a dinner in Wausau, Wis., at which Dr. John S. Counter of the Northwestern University faculty spoke on "Physiotherapy."

Pennsylvania Law Lauded

J. M. Flynn, president of Pennsylvania Manufacturers Association, addressing the organization's annual meeting, praised the operation of the Pennsylvania workmen's compensation law and voiced opposition to any change in it. He termed it "one of the best, if not the best, in the country."

nesota general agents for Ohio National Life. Bert S. Wray and Virgil E. Rouse, who have been connected with Ohio National Life for many years, will manage the life department. The Wray and Rouse agencies have moved to the Fred L. Gray Company's quarters and will operate as a unit of the agency.

Tire Companies Urge Public Not to Lay Up Cars

U. S. Rubber Calls Budgeting Tire Mileage a Patriotic Duty

NEW YORK—Large-scale lay-ups of private automobiles with consequent cancellation of automobile insurance coverages will be headed off if the tire companies are successful in their current advertising campaigns. The United States Rubber Company is taking large newspaper advertising space to appeal to citizens not to lay up their cars for the duration of the war, and pointing out that one of the nation's greatest resources is the rubber now on cars, already fabricated and ready for service. It seems obvious that this reflects the government's attitude as well, for it is unlikely that such a campaign would be undertaken without knowing where the government stood on this question.

The first advertisement of U. S. Rubber points out that without cars there would be an immediate demand for more buses, trains, and delivery trucks and that to provide this transportation steel, rubber and power needed for planes, tanks and ships would have to be diverted to civil use. The appeal urges a budgeting of the use of one's tire mileage, making the tires last as long as possible for necessary driving.

Taxi Situation Serious

The rubber shortage is of particular importance to casualty companies specializing on taxicabs. Because of the great mileage run up by a cab as compared with a private passenger car taxi tires are going to wear out much sooner. It is hoped that retreading restrictions will be relaxed in favor of taxis and that some consideration will be given them as common carriers in the purchase of new tires.

The argument is made that the availability of taxis minimizes the need of private passenger car driving. Another angle, in the case of New York City, which has vastly more cabs than any other place in the country, is that if a large-scale evacuation of the populace should become necessary the city's 12,000 cabs would be of inestimable value. The taxi owners and insurers also recall the role played by taxis in the Battle of the Marne in the last war. The cabs' usefulness in transporting troops might be extremely important, it is felt.

Demand Grows for Burglary Cover on Stored Tires

There is quite a current demand for burglary protection on automobile tires. The casualty companies report that requests for such coverage are coming in from a variety of sources. Filling stations with tires on hand which they cannot sell because of the rationing program; coal companies, truck lines, and many other business concerns that use a large number of tires and had some extra ones on hand at the time of the rationing order, all now are anxious to give these stocks the utmost protection.

The companies are inclined to underwrite burglary on tires pretty cautiously. There has been an increase in burglaries and thefts of all kinds over a general area, in and out of metropolitan centers. Where premises are properly protected, however, and the agent is getting some of the other business, companies are taking the offerings.

New Amsterdam and U. S. Casualty Now Use Certificates Extensively

New Amsterdam Casualty and United States Casualty for the past month have been using renewal certificates on all types of contracts except workmen's compensation, certain forms of general liability and automobile liability. The response from the field has been very enthusiastic. Renewal certificates are not now being used for automobile liability contracts because the companies desire each of their policyholders to have a copy of the new form of policy that was brought out in January. The intention is to use renewal certificates when the new policy form runs out at the first expiration.

The renewal certificate that is used is a single sheet 5 by 8 inches but the management is now giving consideration to the preparation of a certificate form that will be folded once and have a face that closely resembles the face of a policy.

The renewal certificates contain a clause automatically giving the assured the benefit of any improvements in policy coverage that may be introduced but that are not included in the policy that is in his possession.

Insurance Director Jones of Illinois has given approval to a regulation permitting insurance companies to issue renewal certificates. The certificates have exactly the same bearing as would be if policy forms were issued, since the policies for which the certificates are binding have all been approved by the policy division of the department and are on file, Mr. Jones asserted.

GONTRUM ENDORSES PLAN

BALTIMORE—Commissioner Gontrum of Maryland states the Maryland department has received inquiries from fire insurance companies as to whether the use of a renewal endorsement form will be permitted in Maryland.

This form has been used in Maryland by a number of companies for many years, and the commissioner believes that the extension of this practice will be practicable and result in saving both labor and paper during the emergency. He recommends and approves the use of the renewal endorsement form.

Favors N. H. State Health Plan

CONCORD, N. H.—Governor Blood of New Hampshire has come out in favor of a state health insurance plan as against any plan operated by the federal government, asking that the 1943 legislature enact into law the state disability insurance plan recommended by a special recess commission.

"The need of benefit payments to workers because of temporary illness or accident has long been recognized," the governor said, "and the report clearly demonstrates our need for a program of sickness and disability insurance by analyzing the economic condition of the working population of the state and the extent of incapacitating illness and accidents among members of this group."

Ohio Work Accidents at New High

COLUMBUS—The Ohio industrial commission reports that accidents in Ohio's war-gear industries in January established a new record, with 23,138 claims filed. This was 19.2 percent greater than in January, 1941, and 22.9 percent higher than in January, 1940.

State Auto Anniversary Rally

State Automobile Mutual of Columbus, O., celebrated its 20th anniversary with a two-day convention. About 1,200 representatives from about 15 states attended. Dr. P. L. Rohrer, Chicago, spoke on "Psychology Finds Successful Salesmen."

Standard Accident Chicago Meeting Develops Live Topics

Automobile liability, bonds, comprehensive liability and accident and health insurance and the financial statement of the company were discussed at the regional educational meeting for agents of Standard Accident in Chicago last week. A representative group of agents from Illinois, Wisconsin and Indiana heartily approved of the program and were entertained by V. H. Bartholomew, resident vice-president of the Chicago office, at a luncheon and dinner.

The home office speakers were L. K. Kirk, vice-president and treasurer; Otway Conard, assistant secretary in charge of the automobile department; E. A. Warnica, assistant secretary in charge of compensation and liability; Rankin Martin, executive representative of the bonding department, and H. J. Huntington, public relations director, who presided and also discussed accident and health insurance. Each talk was followed by an open forum discussion at which a number of interesting questions arose.

AUTOMOBILE CHANGES

Mr. Conard reviewed the changes made in the automobile liability policy last fall. He emphasized medical payments coverage, pointing out that full commission is paid on the additional premium and that payments under this coverage do not affect the safe driver reward. The abolition of the age limit will require careful underwriting, Mr. Conard stating that the company will not write a line where a child habitually uses the automobile. There is, however, no warranty or condition regarding this and the assured is fully covered if a child is involved in an accident while unexpectedly using the car. He also explained the changes in trailer coverage, drive other cars protection, substituted automobiles, automatic coverage and territory.

The new financial responsibility law in New York, which requires evidence of financial responsibility immediately after an accident, instead of waiting until a judgment is returned against the motorist, has resulted in a great increase in coverage in this state, Mr. Conard said. Insurance men have thought that about 50 percent of the insurable risks in New York were covered, but the rush of business indicates that only about 30 percent of the motorists in and around New York City were protected. New York agents and home office specialists wrote a surprising amount of insurance by house to house canvass in selected neighborhoods. In one representative, middle class neighborhood 40 sales were made out of 75 calls. Since it is likely that laws of the New York type will spread, Mr. Conard said that every agent should be familiar with this statute and be ready to reap a similar harvest when the opportunity arises.

Mexican Coverage

There was much interest in Mr. Conard's statement that Standard Accident will endorse all policies covering residents of the United States, except Texas, to cover anywhere in Mexico for 30 days, without additional charge. This cannot be done in Texas, because of the state laws controlling automobile forms and rates. The company has resident adjusters in Monterrey and Mexico City who speak English, Mr. Conard explained. They have handled cases satisfactorily in the past and can give service which makes special coverage in a Mexican company unnecessary.

Garage liability business will be a problem during the coming year, Mr. Conard admitted. However, the majority of garages will stay in business, since they can repair, store and service automobiles, even though they cannot sell new cars and tires. Payrolls will be lower and accordingly the minimum an-

nual payroll for equity rating has been reduced from \$15,000 to \$7,500.

Another perplexing problem involves automobiles owned by soldiers, Mr. Conard continued. Experience has been extremely bad, but a study of the question showed that losses were not caused by the named assured but by soldiers at the same post using the car indiscriminately. The situation is similar to that of college students. As a result of this, Mr. Conard said that Standard Accident will now insure automobiles owned by soldiers only if the policy is endorsed to restrict coverage to driving by the named assured, parents, brothers, sisters and spouse.

Mr. Conard said that many agents and assured do not realize that the suspension endorsement, used where the automobile is laid up for the winter, suspends all coverage under the policy, including drive other cars and trailer coverage, as well as protection on the laid up automobile. He also discussed nonownership liability insurance and school bus coverage, saying that the latter is the only public automobile line which has been consistently profitable. He expressed the opinion that eventually all fleets will be covered under the comprehensive policy. Regarding the effect of the war, he said that the experience of Standard Accident's Canadian subsidiary indicates that restrictions on automobiles and gasoline has not cut automobile liability premiums, although automobile fire premiums have necessarily been reduced because of the greatly decreased number of new cars.

BLANKET BOND SALES

Mr. Martin made a hit from the start with his description of the trouble and detail work an agent encounters placing a \$1,000 individual fidelity bond. He agreed with agents that the small commission on an isolated individual bond for a small amount is simply not worth the trouble and added that the company does not want this type of business either. The profit for the agent and the company, he said, and the real protection for the assured is found in the blanket position and commercial blanket forms. These bonds can be written for as low as \$63 and \$90 respectively, which brings them within the reach of practically every business.

That the new blanket bonds have sales appeal is shown by the fact that about 85 percent of the former schedule business has been transferred to one or the other blanket forms, Mr. Martin said. The moral is that any agent who has not pushed these forms should tell his clients about them before a competitor does. A survey of another company showed that out of 239 new blanket bonds recently written, 86 were purchased by assured who had previously carried no fidelity coverage, which shows that they are just as useful in getting new business as in strengthening old accounts.

The need for fidelity insurance is shown by the fact that during the last few years bonding companies have averaged about \$12,000,000 annually in fidelity losses, while the known dishonesty loss is at least \$250,000,000 per year. The annual loss is much greater than this, as every business tries to hush such occurrences, particularly where there is no insurance protection. That the field is uncultivated is further shown by the recent survey of the National Association of Credit Men. Out of 22,000 manufacturers and wholesalers, only 6,500 carry bonds, while 9,500 admitted that they need bonds and do not have them. Further, out of the entire group only 8,800 had been solicited for this coverage by an agent.

Mr. Martin reviewed some of the more common and almost invariable objections

(CONTINUED ON PAGE 21)

ACCIDENT AND HEALTH

Cleveland Will Hold Its Sales Congress March 20

The Cleveland Association of Accident & Health Underwriters will hold its annual sales congress March 20. C. L. Krum, Aetna Life, will preside at the morning session. Clyde E. Dalrymple, Preferred Accident, Milwaukee, president of the National association, will give the opening address.

Mayor Lausche of Cleveland will speak at the luncheon on "Civilian Defense," followed by the graduation exercises of the sales training class sponsored by the Cleveland association, which is the first class of its kind to graduate. The president of Western Reserve University will introduce the graduates and speak on the value of continuing education within the business.

A particularly large attendance is expected, as delegates from Akron, Canton, Youngstown, Columbus, Cincinnati, Toledo and Pittsburgh will be in attendance.

Navy Talk in Boston

At the February dinner meeting of the Boston Accident & Health Association Thursday night, Joseph W. Limric, for a number of years an engineer engaged in installing machinery on vessels of the United States navy and now with the Lehrer & Madden agency of Aetna Life in Boston, is giving a talk, illustrated with movies, on "The United States navy, our first line of defense, as seen through the eyes of a laymen." He was very successful as an engineer and is equally successful as an insurance salesman, and has made quite a reputation with his talk, which he has given before many organizations.

Seek Hospital Group Regulation

TORONTO—The increase in the number of medical and hospital service associations in Canada is receiving attention from the standing committee of the Association of Superintendents of Insurance of Canada.

It is felt that there is need for some form of regulation or supervision of such associations and the committee has concluded that regulatory acts should be considered by the various provinces, with registry and inspection by both insurance and health departments.

Four-Week Hoodoo Day Drive

LOS ANGELES—Disregarding all hoodoos, Pacific Mutual Life has inaugurated a four-week accident and health drive. The campaign began Friday, Feb. 13, and will close Friday, March 13, and is intended to be a preliminary warming up for Accident & Health Insurance Week, March 23-28.

Small Manufacturers Buy Open Stock Burglary

The sale of open stock burglary insurance continues to be very active, especially to the smaller manufacturers and processors who are doing government work. In the past very little open stock burglary insurance was purchased by manufacturers and most of it was desired because of the danger of the theft of office equipment by youngsters and other vandals.

Now the manufacturers are very sensitive to the burglary hazard in respect to raw materials, finished products and materials in process. A good many of these smaller manufacturers may be completing only one or two processes in connection with the article and they are made responsible for the article while it is in their possession.

Write your company for Accident & Health Week promotional supplies.

This Is Year to Produce Accident-Health: Donley

ATLANTA.—If there ever was a year to really produce accident and health business, this is the year, and W. Donley, superintendent of production of General Accident's accident and health department, declared in an address before the Accident & Health Association of Atlanta.

"The one best way to prevent unfriendly legislation looking toward government-operated accident and health plans on a compulsory basis," Mr. Donley said, "is for all of us, individually and unitedly, to do a better job of placing protection more widely. The big thing to remember is this: Notwithstanding the billionaire prosperity of today, every man is on his own and when his income stops, he is sunk.

"Whether we just hold our own or show a 10 percent increase or truly do a three year job in one doesn't depend on business conditions, but rather on the spirit with which we tackle our jobs.

"America is at war. We remember Pearl Harbor and we have learned its lesson. It is important to be alert. In our business we must learn to be alert as to what we have to sell and alert to the needs of prospects and remember the importance of putting to work the idea of getting people to want the thing that we, in our alertness, discover that they need. We are in the business of providing the means of securing bread and butter when the saboteurs of earned income—accident and illness—do their stuff."

America now faces its greatest challenge—the challenge of aggression, he said. The accident and health business also is faced with a challenge. "Ours is a home defense business—it is the first line of defense. Our country at war is more urgently in need of accident and health insurance than it ever was in time of peace. We have the goods. Our companies have the character. How are we going to meet that challenge—the challenge of doing the kind of job in our home defense business that we look to our soldiers to do on the field of battle?"

Waddell with Mutual Benefit

DETROIT—Charles Waddell, president of the Detroit Accident & Health Association and former manager here of Loyal Protective Life, has been named manager of the accident and health department in Detroit of the E. B. Brink state agency of Mutual Benefit Health & Accident and United Benefit Life. Mr. Brink has appointed S. C. Richardson manager of the salary protection department of the agency.

Back Tax Educational Program

LOS ANGELES.—The Accident & Health Managers Club of Los Angeles adopted the resolution supporting the educational program on the constitutional amendment changing the method of taxation for insurance companies which will appear on the November ballot.

The Accident & Health Week committee, headed by Hugh Johnson, Aetna Life, is planning an extensive observance.

Pittsburgh Congress March 18

PITTSBURGH—The sales congress sponsored by the Pittsburgh Association of Accident and Health Underwriters will be held March 18, it is announced by Ross F. Roberts, Loyal Protective, association president. It will begin at 10 a. m. and conclude with a banquet and evening program.

Speakers will include W. B. Cornett, superintendent of agencies Loyal Protective Life, Columbus, O.; Clyde E. Dalrymple, Preferred Accident, Mil-

waukee, president National Association of Accident & Health Underwriters; C. A. Sholl, Globe Casualty, Columbus, O., third vice-president National association, and F. Glenn Packwood, Massachusetts Bonding, Kansas City.

Occupies New Home Office

Central Assurance has moved from the Hartman Theater building, Columbus, O., into its new home office building at 741 East Broad street. It writes life, health and group insurance.

Will Open A. & H. Department

SAN FRANCISCO—An accident and health department will be established by General Agencies of New York, Inc., representing American Casualty of Reading, in its San Francisco office. Milton Monasch, who has been with the Associated Indemnity home office for several years, will be in charge.

The company plans a new line of accident and health contracts and "home ofice" service in underwriting and claims.

Detroit A. & H. Week Plans

DETROIT—Charles Waddell, Mutual Benefit Health & Accident, president Detroit Accident & Health Association, has appointed Roy Long, Great Northern Life, chairman of the Accident &

Health Week committee in charge of the observance March 23-28.

The association will hold no sales congress this spring because of entertaining the annual meeting of the National Association of Accident & Health Underwriters in June, but will launch the Accident & Health week celebration with a meeting March 17, with an outstanding inspirational speaker. A drive for membership also will be held prior to the week.

Burdick New Hampshire Speaker

CONCORD, N. H.—New Hampshire Accident & Health Association was warned at its monthly meeting by Lester L. Burdick, Commercial Casualty, president of the Boston association, that if the accident and health men do not do a complete job at the present time someone else is going to do it for them, either through state or federal bureaus. The need of accident and health coverage is more vital now than ever before, Mr. Burdick said, declaring that only 30 percent of wage earners are protected today. President Louis A. Hazen, Continental Casualty, Nashua, presided. Four new members were admitted.

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CHANGES IN CASUALTY FIELD

Erdmann Advanced by Conn. Indemnity

NEW HAVEN—At the annual meeting of Connecticut Indemnity Harry H. Erdmann, assistant secretary, was elected vice-president. After 11 years of casualty experience with other companies Mr. Erdmann went to Connecticut



HARRY H. ERDMANN

Indemnity in 1934 as manager of the home office claim department and attained the rank of assistant secretary in 1939. He is married, has one child, and resides in North Haven, Conn.

Harlan Named Travelers Manager at South Bend

M. S. Harlan, assistant casualty manager of Travelers in Kansas City for 10 years, is being transferred to South Bend, Ind., as casualty manager of that branch, effective March 1. Mr. Harlan has been with Travelers 14 years.

D. E. Boyette, assistant manager of the casualty department of the Travelers branch at Des Moines, succeeds Mr. Harlan at Kansas City. Mr. Boyette formerly was with the Kansas City branch several years.

General Accident to Take Over Wentz & Erlin Agency

SAN FRANCISCO.—Plans have been completed by General Accident to take over the business of Wentz & Erlin, general agency which has represented the company in San Francisco for many years. It is reported that both W. B. Wentz and George Erlin will retire and that the general agency will be operated by General Accident.

The firm also represents several fire companies and Seaboard Surety.

Henshaw Agency Superintendent

Wallace H. Henshaw, assistant superintendent of agencies of Hartford Steam Boiler, has been appointed superintendent of agencies. He joined the company in 1936 as a special agent in the Hartford department. He was transferred to the home office agency department in January, 1940, to edit "The Locomotive" and became assistant superintendent of agencies Jan. 1, 1942.

Neuschwander Severs Connection

E. H. Neuschwander has terminated his connection with Sunset Life and Sunset Casualty of Seattle. He was vice-president and actuary of those companies.

Three Are Advanced by American Mut. Liability

American Mutual Liability has elected George S. Harlan and C. Richard Parsons assistant vice-presidents and Lawrence M. Sibley, assistant secretary.

Mr. Harlan was admitted to the bar in 1925 and has been with the company 15 years, having served in the claim department in St. Louis and Philadelphia in capacities from investigator to division claim manager.

Mr. Parsons is western division sales manager. He has served the company in a sales executive capacity in New York, Philadelphia, Boston, and more recently in Chicago.

Mr. Sibley's business training since graduating from Harvard in 1923 has been wholly in underwriting. He has served as underwriter and underwriting executive of several large casualty companies.

Travelers Shifts Sanders and Promotes Jackson

E. Dudley Sanders, former assistant manager of the casualty department of Travelers branch at Louisville, has been transferred to Atlanta in the same capacity. A native of South Carolina, Mr. Sanders joined Travelers in 1928. He attended the company's home office training school and on graduation was appointed a field assistant in the casualty department of the Charlotte branch. After serving there for 10 years, he was promoted to assistant manager in Louisville.

Willis L. Jackman, formerly a field assistant in the casualty department in Buffalo, has been appointed assistant manager there. A native of Indianapolis Mr. Jackman joined Travelers as a field assistant in Indianapolis in 1930. He attended home office school and in 1930 was transferred to Peoria, Ill. Subsequently he served at Detroit and in March, 1941, went to Buffalo.

Bates with General Casualty

E. E. Bates, formerly of Minneapolis, has joined the metropolitan department of the General Casualty in Seattle. He will be associated with W. A. Kimmers in developing and servicing casualty lines.

He started with Employers Mutual Liability of Wisconsin, organized its office in Minneapolis, serving as district underwriter and manager and after several years resigned to join Marsh & McLennan in Minneapolis as underwriter and solicitor, subsequently entering agency work for himself.

R. R. Moore with Am. Casualty

Ralph R. Moore, who has been with the R. W. Hosmer & Co. agency of Chicago for about five years as a casualty underwriter, has joined American Casualty in Chicago as a casualty underwriter.

Leonard Buresh, who has been in the automobile department of Fireman's Fund, replaces Mr. Moore in the R. W. Hosmer & Co. agency.

Wachter, Smith Exchange Posts

S. S. Wachter, for eight years in charge of the claims division of Maryland Casualty in Oklahoma City, has been transferred to the San Antonio office. He exchanges posts with Guy Smith, who has been in charge of claims in San Antonio and now goes to Oklahoma.

Loe with American Auto

Arnold E. Loe, former manager of the Dayton's Bluff agency in St. Paul, has been appointed a field representative of American Automobile in Minnesota.

SURETY

Writings of Supply Bonds on Subcontractors Gain

Some increase in the writing of supply bonds for subcontractors furnishing military items is noted by bond men. This is taken to indicate that the business represented by the vast armaments program is beginning to reach these subcontractors in substantial quantity. One bond man reported that within a week his office had written bonds covering a subcontractor furnishing 30 caliber machine gun bullet cores, another producing a stamped metal item, and so on.

Many of these concerns have faced a dwindling "normal business" because unable to secure materials for their usual products. War orders are just beginning to reach many of them.

The supply bonds ordinarily are for 25 percent for the army and something less than that for the navy.

Fort Peck Bond Arranged

The Cobb-Strecker-Miller Co. agency of Minneapolis was the producing agent for a bond written on behalf of the

Fegles Construction Company of Minneapolis, covering contract for the superstructure of the power house at Fort Peck, Mont. This is a government project, contract price being \$3,407,026 with a premium of \$43,971. The bond was placed with Standard Accident and the following companies participated as sureties: American Surety, Fidelity & Casualty, Continental Casualty, Maryland Casualty, Preferred Accident, Massachusetts Bonding, New Amsterdam Casualty, Century Indemnity, Glens Falls Indemnity.

U. S. Unit Now Requires Wheat Diversion Bonds

In an effort to reduce its holdings of wheat, and at the same time transform some of it into meat and animal fat, the government is selling some wheat to feed processors at a price lower than market, and processors are being required by the Commodity Credit Corporation to furnish wheat diversion bonds. The companies are charging \$5 for \$1,000 for any term up to one year, with an annual minimum premium of \$10.

The bond, which carries a 50 cents a bushel penalty, guarantees that the processor won't sell the wheat as wheat. The margin between what he pays

"You bet I like the Bituminous!"



"REMEMBER when my boss used to wish that he could find just ONE company that really WANTED to underwrite workmen's compensation insurance.

"And I remember, too, all those letters I had to write on almost every compensation prospect—'shopping'—not for a low rate but just for a good policy at any price.

"Then one day we wrote a letter to the Bituminous Casualty and—

"Just to shorten it up, we've doubled the compensation volume on our books, our policyholders like the claim and engineering service and—

"Well, we just LIKE it that way! You'd better try it, too!"

BITUMINOUS CASUALTY CORPORATION
ROCK ISLAND, ILLINOIS

Commodity Credit Corporation for wheat earmarked for this purpose and the market price is considerable.

The bonds will be put up for the most part by millers who manufacture live stock and poultry feeds. Live stock or poultry producers not engaged in the sale or manufacturer of feed are not required to put up the bond.

Government Bonds Reviewed

PORTLAND, ORE.—The Surety Association of Portland at its February meeting heard a discussion of government contracts, bonds and insurance requirements by former President Fred Reed of the Harvey Wells-Reed Agency of this city. Mr. Reed spent a number of years in the surety underwriting field.

Farewell for Peterson

ST. LOUIS—The Surety Underwriters Association of St. Louis gave a farewell luncheon for W. W. Peterson, St. Louis manager of Standard Accident, who has been promoted to contract bond underwriter at the home office.

ASSOCIATIONS

Mich. Law Handicap in Some Auto Accident Cases

DETROIT—The fact that a Michigan statute places a severe handicap on insurance companies in connection with certain types of litigation involving automobile accidents was brought out by E. D. Alexander of Alexander, McCaslin & Cholette, insurance attorneys, in an address before the Detroit Adjusters Association, with 63 in attendance. A. B. Rodger, chief adjuster Continental Casualty, presided.

In a case, for example where, two cars occupied only by their drivers collide, one driver is killed and the other is not, no witnesses can be located and the estate of the deceased motorist sues the surviving driver, the survivor's defense is greatly hampered by a statute which provides that in such circumstances the defendant cannot testify as to his version of the facts that were equally within the knowledge of the deceased driver. The intent of the statute is to disallow testimony that might have been refuted by the deceased motorist were he able to testify in his own behalf. Mr. Alexander cited a number of decisions involving this statute, and discussed the points at issue.

Atlanta Claim Men Hear Nix

Abit Nix, insurance lawyer of Athens, Ga., and candidate for governor in the last election, addressed the Atlanta Association of Claim Men on claims work in general and its value in maintaining good public relations on behalf of insurers.

Hislop Portland Secretary

PORTLAND—The Oregon Casualty Adjusters Association has elected Fred Hislop, Travelers, secretary-treasurer to replace Cliff Beckett, who has been called into service. Mr. Beckett was a first lieutenant in the reserves and is now located at Ft. Roberts, Cal.

Engineers Elect March 13

The Casualty Engineers Association of Chicago will hold its annual meeting and election of officers following a dinner March 13. Several important business matters will be discussed, including the program for 1942, which, in view of war conditions and the importance of safety work, will receive special attention. Frank Jones of the Childs & Wood agency is president.

NEWS OF THE CASUALTY COMPANIES

Md. Casualty Makes Big Gains

Maryland Casualty in its new annual statement shows assets of \$43,256,629, as compared with \$41,489,122 the previous year. Premium reserve stands at \$13,444,045, as compared with \$11,725,347. Claim reserve was \$19,125,856 as against \$17,936,340. Surplus to policyholders is \$7,682,423 divided \$1,744,875 class A preferred stock; \$799,923 common stock and \$5,137,625 net surplus.

Large Premium Increase

Premiums increased by \$4,099,547, which is the second largest annual gain in its history. The net premiums were \$28,654,566, there was an underwriting profit of \$459,369 after increasing premium reserve by \$1,718,698. Income from investments was \$1,039,391.

Holdings of direct and indirect obligations of the federal government and federal land banks accounted for about 57 percent of the portfolio as compared with about 49 percent the previous year.

Lawton Is Head of New Department

KANSAS CITY.—Central Surety has inaugurated a special risk department at the home office and has appointed Charles R. Lawton as superintendent in charge.

The purpose of the department is to encourage the development of and to handle comprehensive automobile, comprehensive general liability and combination comprehensive coverages.

Mr. Lawton has been with the company in various capacities since shortly after its organization, and has had extensive experience in the home office and in the field.

Kemper Unit Makes Gain for 30th Consecutive Year

Lumbermen's Mutual Casualty in 1941 experienced its 30th consecutive annual increase in premium income. The writings last year were \$34,498,363 or an increase of \$5,251,850 over 1940. It was

the largest gain ever to be made in a single year, and is more than three times the increase of a year ago. In the last seven years Lumbermen's Mutual has more than doubled its premium volume. Compensation premiums were 37.4 percent higher and boiler and machinery 33.9. Assets are \$45,363,288, an increase of \$3,980,560, and net surplus at \$6,000,000 is \$500,000 higher. The voluntary reserve for contingencies of \$1,000,000 is retained. Cash totaled \$11,392,737 and government bonds \$23,429,254. Cash and government bonds constituted 77 percent of total assets.

Trinity Universal Assets and Premiums Increase

Trinity Universal of Dallas had one of its successful years in 1941. Net premiums written totaled \$5,418,736, increase \$823,232.

Assets increased \$652,501 to \$7,477,192, and reserves for losses and unearned premiums increased to \$4,468,094.

The company now is licensed to do business in 28 states.

A dividend of \$1.25 per share was declared, payable quarterly during 1942.

Liberty Mutual Makes 23% Gain

The statement figures of Liberty Mutual have been awaited with particular

54th Annual Statement

PROVIDENT LIFE AND ACCIDENT INSURANCE COMPANY

Chattanooga - - Since 1887 - - Tennessee

December 31, 1941

ASSETS		LIABILITIES		
Cash in Banks	\$ 1,997,190.53	11.6%	Reserve Under Life Policies	\$ 7,463,706.97
U. S. Government Bonds...	3,060,302.59	17.8%	Special Group Life Mortality Reserve	366,000.00
State, County and Municipal Bonds	1,828,883.62	10.6%	Accident and Health Premium Reserve	1,353,907.81
Railroad Bonds	267,498.48	1.6%	Accident and Health Claim Reserve	1,874,751.93
Public Utility Bonds.....	683,808.90	3.9%	Accident and Health Epidemic and Catastrophe Reserve	1,000,000.00
Industrial and Miscellaneous Bonds	789,401.52	4.6%	Accident and Health Commission Reserve	146,915.23
Preferred or Guaranteed Stocks	459,237.50	2.7%	Reserve for Taxes	374,507.99
First Mortgage City Loans..	4,793,708.60	27.8%	Investment Fluctuation Reserve	459,461.31
First Mortgage Farm Loans.	50,019.54	0.3%	Reserves for Other Liabilities	228,537.52
Policy Loans	1,138,126.70	6.6%	Total Liabilities	\$13,267,788.76
Life Premiums Deferred or in Course of Collection....	453,245.00	2.6%	Capital Stock	\$1,750,000.00
Home Office Building.....	597,935.89	3.5%	General Surplus	1,500,000.00
Real Estate	125,869.31	0.7%	Contingency Reserve	701,941.79
Accident & Health Premiums in Course of Collection..	871,814.99	5.1%	Surplus to Protect Policyholders	\$ 3,951,941.79
Interest Due and Accrued and Other Assets.....	102,687.38	0.6%	Total	\$17,219,730.55
Total Assets	\$17,219,730.55	100.0%		

1941 FACTS

Life Insurance in Force.....	\$176,406,810.00
Gain in Life Insurance in Force.....	28,675,006.00
Accident and Health Premium Income.....	8,768,564.37
Gain in Accident and Health Premium Income.....	1,279,551.74
Gain in Assets.....	2,644,019.49
Total Surplus to Protect Policyholders.....	3,951,941.79

BENEFIT PAYMENTS TO POLICYHOLDERS AND DEPENDENTS SINCE ORGANIZATION \$61,689,412.60

625 Benefit Payments Made Every Working Day in the Year

W. C. Cartinhour
Vice President and Secretary

RATIO OF ASSETS TO
LIABILITIES 130%

Robert J. MacLellan
President

Life . . . Accident . . . Sickness . . . Hospital . . . Group

interest because it has written such a large amount of insurance covering defense work. The figures now available show that premiums last year amounted to \$57,008,375, which is an increase of \$10,848,444 or 23.5 percent. That was the highest record of any year. Assets gained more than \$11,000,000 and now stand at \$90,222,299.

Freeport Motor Makes Gains

Freeport Motor Casualty, in its new annual statement reports assets of \$1,878,043, premium reserve of \$482,354, capital \$200,000 and net surplus \$473,761. It shows increases all along the line.

Pacific Indemnity Pays Extra

Pacific Indemnity has declared the regular quarterly dividend of 50 cents a share and an extra dividend of 25 cents a share, both payable April 2 to stock of record March 14.

Benson Mutual Indem.—Assets, \$401,355; inc., \$75,058; unearned prem., \$196,192; loss res., \$33,419; lab. res., \$87,393; capital, \$225,000; surplus, \$70,795; inc., \$4,681. Experience:

Net Prems. Losses Pd.
Accident \$ 23,882 \$ 4,768
Health & acc. 5,866 1,383
Auto liability 151,612 39,143
Plate glass 530 183
Auto prop. damage. 73,949 43,251
Auto collision 100,350 55,927
Other auto 59,426 14,884

Total \$ 415,617 \$ 159,542

Beneficial Casualty—Assets, \$331,048; inc., \$28,045; unearned prem., \$61,916; loss res., \$16,360; capital, \$205,678; surplus, \$34,003; dec., \$107,192. Experience:

Net Prems. Losses Pd.
Accident \$ 134,852 \$ 23,769
Health 137,806 12,763
Non-Canc. H. & A. 11,864 2,589
Auto prop. damage. 2 2
Auto collision 19,322 10,856
Other auto 14,617 7,178

Total \$ 318,477 \$ 57,156

Central Mutual Cas., Mo.—Assets, \$241,167; inc., \$37,611; unearned prem., \$109,682; loss res., \$12,819; lab. res., \$54,987; surplus, \$56,906; inc., \$1,112. Experience:

Net Prems. Losses Pd.
Auto liability \$ 93,333 \$ 38,472
Plate glass 12,254 3,306
Auto prop. damage. 29,108 16,088
Auto collision 37,783 18,488
Other auto 44,336 14,761

Total \$ 216,814 \$ 91,115

Central States Mut., In.—Assets, \$85,140; inc., \$8,417; unearned prem., \$54,370; loss res., \$6,427; lab. res., \$5,268; surplus, \$10,304; dec., \$3,790. Experience:

Net Prems. Losses Pd.
Auto liability \$ 33,891 \$ 5,419
Auto prop. damage. 27,954 10,635
Auto collision 28,427 11,943
Other auto 23,487 10,120

Total \$ 113,759 \$ 38,117

Colonial Mutual Compensation—Assets, \$597,441; comp. res., \$338,296; surplus, \$209,925. Experience:

Net Prems. Losses Pd.
Work. comp. \$ 644,273 \$ 281,520

Columbia Casualty—Assets, \$9,316,134; inc., \$711,714; unearned prem., \$2,262,284; loss res., \$514,291; lab. res., \$1,251,443; comp. res., \$845,529; capital, \$1,000,000; surplus, \$2,994,718; inc., \$78,882. Experience:

Net Prems. Losses Pd.
Accident \$ 105,433 \$ 34,763
Health 14,131 7,284
Auto liability 985,255 384,354
Other liability 451,500 99,334
Workmen's comp. 852,290 378,006
Fidelity 195,633 23,076
Surety 216,629 38,165
Plate glass 57,433 26,455
Burglary and theft. 151,443 27,096
Steam boiler 161,829 27,903
Engine and mach. 228,288 54,028
Auto prop. damage. 310,293 152,200
Auto collision 8,742 6,681
Other P. D. and coll. 49,782 7,856
Water damage 1,213 811

Total \$3,789,894 \$ 1,268,011

Employers Mut. Cas. In.—Assets, \$5,044,899; inc., \$823,762; unearned prem., \$448,562; loss res., \$284,324; lab. res., \$273,221;

\$829,850; comp. res., \$1,018,476; surplus, \$1,000,000; inc., \$128,756. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 45,006	\$ 5,937
Auto liability	1,167,618	439,094
Other liability	234,579	31,562
Workmen's comp.	1,507,905	753,157
Plate glass	17,795	6,898
Auto fire	103,161	26,795
Auto theft	87,884	17,967
Auto tornado	60,164	51,679
Auto prop. damage.	461,119	241,257
Auto collision	345,815	175,469
Other P. D. and coll.	28,885	7,152
Total	\$4,059,931	\$1,756,967

Erie Ins. Exch., Pa.—Assets, \$557,981; inc., \$39,694; unearned prem., \$226,630; loss res., \$21,377; lab. res., \$81,308; surplus, \$228,031; inc., \$12,622. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 5,931	\$ 1,722
Auto liability	300,956	126,303
Fire and ext. cover.	16,509	507
Auto prop. damage.	186,207	84,623
Auto collision	68,925	33,601
Other auto	48,017	18,209
Total	\$ 626,545	\$ 264,965

Farmers Auto. Inter-Ins. Exch., Cal.—Assets, \$7,620,296; unearned prem., \$2,334,793; loss res., \$570,084; lab. res., \$1,437,808; surplus, \$2,800,236. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$3,340,489	\$1,273,477
Auto prop. damage.	1,398,751	611,255
Auto collision	2,852,768	1,589,913
Other auto	1,281,341	468,286
Total	\$8,373,349	\$3,942,931

Freeport Motor Cas.—Assets, \$1,878,044; inc., \$148,972; unearned prem., \$482,355; loss res., \$85,414; lab. res., \$395,342; capital, \$200,000; surplus, \$473,762; inc., \$38,083. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 155,541	\$ 154,768
Auto prop. damage.	199,056	95,695
Auto collision	200,698	97,710
Other auto	127,347	31,021
Total	\$1,042,642	\$ 379,194

Globe Indemnity—Assets, \$43,753,975; inc., \$1,437,011; unearned prem., \$7,718,963; loss res., \$2,492,419; lab. res., \$6,769,003; comp. res., \$6,132,915; capital, \$2,500,000; surplus, \$7,500,000. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 428,261	\$ 170,361
Health	70,477	31,392
Auto liability	5,907,633	2,490,899
Other liability	2,436,220	635,045
Workmen's Comp.	4,154,623	2,193,292
Fidelity	601,345	133,298
Surety	626,038	—115,443
Plate glass	259,999	89,269
Burglary and theft	852,623	169,452
Steam boiler	261,383	23,536
Engine and mach.	139,318	26,537
Auto prop. damage.	1,670,862	896,681
Auto collision	59,512	21,873
Other P. D. and coll.	187,950	41,259
Total	\$17,656,244	\$ 6,807,451

Goodville Mut. Cas., Pa.—Assets, \$214,976; inc., \$11,558; unearned prem., \$70,320; loss res., \$2,600; lab. res., \$30,819; surplus, \$107,697; inc., \$8,745. Experience:

	Net Prems.	Losses Pd.
Auto liability	\$ 72,176	\$ 8,798
Auto prop. damage.	57,910	15,986
Total	\$ 130,086	\$ 24,784

Hartford Accident—Assets, \$93,368,163; inc., \$5,886,413; unearned prem., \$18,705,513; loss res., \$4,823,332; lab. res., \$14,475,506; comp. res., \$13,268,161; capital, \$5,000,000; surplus, \$20,000,000. Experience:

	Net Prems.	Losses Pd.
Accident	\$ 1,426,678	\$ 467,308
Health	90,774	51,221
Auto Liability	11,782,168	4,784,999
Other liability	6,036,139	1,741,858
Workmen's comp.	12,231,250	6,254,526
Fidelity	2,200,635	554,312
Surety	3,059,398	296,378
Plate glass	501,310	193,678
Burglary and theft	1,808,462	391,046
Steam boiler	417	—
Auto prop. damage.	3,504,984	1,809,083
Auto collision	318,158	133,006
Other P. D. and coll.	680,961	165,677
Live stock	8,301	3,576
Total	\$43,649,685	\$16,846,670

Hoosier Casualty—Assets, \$1,555,596; inc., \$113,768; unearned prem., \$448,562; loss res., \$142,733; lab. res., \$273,221;

WHEN THE RISK IS UNUSUAL—

When the insurance problem is unusual, Indemnity can offer exceptional experience and facilities to render thoroughly satisfactory service. We are meeting unusual and difficult requirements every day and are equipped to handle special types of general liability, or contract to cover all business needs.

Indemnity Insurance Company of North America began 1942 with a new Plan of Organized Selling for the year. Already Agents are reporting excellent results.

Periodically throughout the year sales efforts will be concentrated on different classes of insurance. For use on each type, Indemnity puts in the hands of each agent, a set of keen, effective selling tools—a whole Sales Kit of material that can really go to work and get business: Be sure you have the whole story of this Organized Selling.

CASUALTY FIDELITY SURETY



CAPITAL \$2,500,000

**Indemnity Insurance Company
of North America**
PHILADELPHIA

and its affiliated companies write practically every form of insurance, except life.

Service Offices located in principal cities.

Complete nation-wide Insurance Facilities for Agents and Brokers

capital, \$200,000; surplus, \$312,344; inc., \$7,270. Experience:	capital, \$250,000; surplus, \$4,467,620; inc., \$141,913. Experience:	capital, \$489,142; loss res., \$81,686; liab. res., \$451,-169; capital, \$300,000; surplus, \$527,345; inc., \$17,189. Experience:	capital, \$1,726; liab. res., \$5,050; surplus, \$28,808. Experience:
Net Prems. Losses Pd.	Net Prems. Losses Pd.	Net Prems. Losses Pd.	Net Prems. Losses Pd.
Accident & health..\$ 537,145 \$ 259,084	Surety\$ 247,362 \$	Auto fire\$ 963 \$ 1,433	Auto fire\$ 963 \$ 1,433
Auto liability .....378,518 137,306	Ministers Life & Casualty—Assets, \$3,-286,358; inc., \$344,126; unearned prem., 309	Auto theft .....991 117	Auto theft .....991 117
Auto fire .....9,306 2,009	Auto prop. damage..244,942 123,727	Auto liability .....28,065 3,926	Auto liability .....28,065 3,926
Auto theft .....6,018 309	Auto collision .....35,195 19,428	Cyclone-tornado ... 94 29	Cyclone-tornado ... 94 29
Auto tornado .....1,377 363	Other auto .....47,914 13,858	Comprehensive ... 2,213 575	Comprehensive ... 2,213 575
Auto comprehensive. 104,524 27,865	Accident and health..\$ 417,483 \$ 321,977	Medical-occupants .. 1,237 8	Medical-occupants .. 1,237 8
Auto prop. damage. 167,987 83,272	Total\$ 980,813 \$ 439,395	Auto prop. damage. 16,628 4,723	Auto prop. damage. 16,628 4,723
Auto collision .....244,215 120,775		Auto collision .....14,876 3,567	Auto collision .....14,876 3,567
Other auto .....483 120			
Total\$ 1,449,303 \$ 631,103		Total\$ 66,070 \$ 20,180	
Inland Mutual, W. Va. —Assets, \$246,-798; inc., \$51,644; unearned prem., \$123,655; loss res., \$13,644; liab. res., \$19,269; surplus, \$4,902; dec., \$13,353. Experience:			
Net Prems. Losses Pd.			
Auto liability\$ 169,344 \$ 68,571	Accident\$ 441,663 \$ 163,647	Net Prems. Losses Pd.	Net Prems. Losses Pd.
Auto fire .....4,435 1,729	Health .....198,337 99,440	Accident\$ 7,327 \$ 1,277	Accident\$ 7,327 \$ 1,277
Auto theft .....1,382 96	Other liability .....1,742,302 671,390	Hospitalization 856 636	Hospitalization 856 636
Auto prop. damage..85,469 29,895	Workmen's comp....2,639,488 1,268,281	Auto liability .....94,930 26,589	Auto liability .....94,930 26,589
Auto collision .....12,391 6,060	Fidelity .....255,894 37,335	Net Prems. Losses Pd.	Net Prems. Losses Pd.
Auto cargo .....6,685 1,160	Surety .....110,271 15,214	Accident\$ 133,548 \$ 32,441	Accident\$ 133,548 \$ 32,441
Total\$ 279,706 \$ 107,511	Plate glass .....156,004 62,261	Auto liability .....3,631,903 1,418,368	Auto liability .....3,631,903 1,418,368
Lloyds Guarantee, Tex. —Assets, \$300,-397; dec., \$44,289; unearned prem., \$55,102; loss res., \$5,275; liab. res., \$19,052; comp. res., \$25,766; guaranty fund, \$159,000; surplus, \$12,758; dec., \$741. Experience:	Steam boiler .....394,655 43,961	Other liability .....460,390 98,828	Other liability .....460,390 98,828
Net Prems.* Losses Pd.*	Auto prop. damage..535,394 295,569	Workmen's comp....23,806 5,422	Workmen's comp....23,806 5,422
Fire\$ 401 \$ 231	Auto collision .....20,646 5,554	Fidelity .....262,130 25,561	Fidelity .....262,130 25,561
Extended coverage..668	Other P. D. and coll. 89,454 7,673	Surety .....294,233 8,999	Surety .....294,233 8,999
Auto liability .....1,517 343	Water damage .....907 552	Plate glass .....159,217 64,741	Plate glass .....159,217 64,741
Other liability .....1,993 249	Total\$ 8,708,625 \$ 3,194,937	Burglary and theft. 236,743 44,658	Burglary and theft. 236,743 44,658
Workmen's comp...11,859 12,359		Auto prop. damage..1,324,656 654,024	Auto prop. damage..1,324,656 654,024
Surety .....266		Auto collision .....904,927 400,476	Auto collision .....904,927 400,476
Plate glass .....57		Other P. D. and coll. 46,995 6,126	Other P. D. and coll. 46,995 6,126
Mercantile floater...466 104		Other auto .....610,890 164,843	Other auto .....610,890 164,843
Auto prop. damage..594 126		Total\$ 257,091 \$ 103,919	Total\$ 257,091 \$ 103,919
Auto collision .....673 670			
Other P. D. and coll. 502 234		Vermont Accident —Assets, \$64,421; inc., \$7,137; unearned prem., \$11,672; loss res., \$8,850; capital, \$10,000; surplus, \$30,399; inc., \$3,816. Experience:	Vermont Accident —Assets, \$64,421; inc., \$7,137; unearned prem., \$11,672; loss res., \$8,850; capital, \$10,000; surplus, \$30,399; inc., \$3,816. Experience:
Other auto .....787 419		Old Line Auto, Ind.—Assets, \$84,376; inc., \$16,726; unearned prem., \$42,969;	Old Line Auto, Ind.—Assets, \$84,376; inc., \$16,726; unearned prem., \$42,969;
Total\$ 10,157 \$ 14,504		(CONTINUED ON NEXT PAGE)	(CONTINUED ON NEXT PAGE)

*Reinsured by Lloyds of London.

Manufacturers & Wholesalers Indem.
Exch.—Assets, \$424,341; inc., \$27,751; unearned prem., \$115,485; loss res., \$8,466; liab. res., \$39,815; surplus, \$250,442; inc., \$949. Experience:

Net Prems. Losses Pd.	
Auto liability\$ 178,980	\$ 52,980
Other liability .....21,337	128
Cargo .....1,770	207
Auto prop. damage..59,642	22,978
Auto collision .....45,677	21,882
Other P. D. and coll. 2,624	212
Other auto .....40,111	12,213
Total\$ 350,144	\$ 109,703

Massachusetts Bonding—Assets, \$23,-729,552; inc., \$656,084; unearned prem., \$5,310,799; loss res., \$2,362,763; liab. res., \$3,633,382; comp. res., \$2,617,488; capital, \$2,000,000; surplus, \$4,812,314; inc., \$203,-859. Experience:

Net Prems. Losses Pd.	
Accident\$ 1,282,370	\$ 433,388
Health .....969,012	474,366
Auto liability .....3,796,498	1,930,875
Other liability .....1,599,134	534,969
Workmen's comp...2,809,362	1,470,705
Fidelity .....988,187	215,509
Surety .....1,172,338	274,251
Plate glass .....199,493	87,589
Burglary and theft..390,368	86,784
Auto prop. damage..1,098,971	586,957
Auto collision .....9,244	5,366
Other P. D. and coll. 104,919	16,255
Total\$ 14,419,895	\$ 6,167,015

Massachusetts Indemnity—Assets, \$1,-973,525; inc., \$363,800; unearned prem., \$365,146; loss res., \$437,348; non-can. A. & H., \$513,338; capital, \$100,000; surplus, \$453,957; inc., \$62,318. Experience:

Net Prems. Losses Pd.	
Accident & health..\$ 254,811	\$ 162,375
Non-canc. H. & A. 1,240,042	305,843

Total\$ 1,494,854 \$ 468,218

Mellon Indemnity—Assets, \$4,962,252; inc., \$259,553; unearned prem., \$184,003;

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State Farm Mutual —Assets, \$25,510,221; inc., \$3,932,522; unearned prem., \$6,504,246; loss res., \$1,184,961; lab. res., \$6,335,665; surplus, \$6,197,430; inc., \$305,200. Experience:	Net Prems. Losses Pd.	comp. res., \$7,866; capital, \$201,335; surplus, 205,237; dec., \$8,713. Experience:
Auto liability	.....	\$ 437,350 \$ 182,988
Other liability	.....	29,173 2,424
Workmen's comp...	.....	32,135 4,818
Auto prop. damage	.....	156,579 87,127
Auto collision	.....	165,302 70,760
Other P. D. and coll.	.....	1,279 14
Other auto	.....	80,077 26,132
Total	.....	\$ 901,897 \$ 374,265

U. S. Mut. Lab. Mass. —Assets, \$505,335; dec., \$23,833; unearned prem., \$11,358; lab. res., \$18,297; comp. res., \$221,486; surplus, \$250,992; dec., \$8,793. Experience:	Net Prems. Losses Pd.	.....
Auto liability	.....	\$ 10,137,936 \$ 4,380,022
Other liability	.....	264
Workmen's comp...	.....	120,846 67,688
Total	.....	\$ 140,983 \$ 85,324

Order of Railway Employees —Assets, \$870,277; inc., \$65,366; unearned prem., \$2,995; loss res., \$110,914; guaranty and emergency res., \$300,000; surplus, \$306,776. Experience:	Net Prems. Losses Pd.	.....
Accident & Health	.....	\$ 600,422 \$ 326,455
Total	.....	\$ 3,629,773 \$ 1,435,123

U. S. Guarantee —Assets, \$20,383,136; inc., \$1,632,674; unearned prem., \$4,272,581; loss res., \$645,292; lab. res., \$2,124,916; comp. res., \$165,437; capital, \$2,000,000; surplus, \$7,135,466; inc., \$430,960. Experience:	Net Prems. Losses Pd.	.....
Accident	.....	\$ 37,450 \$ 12,773
Auto liability	.....	1,791,071 805,116
Other liability	.....	783,659 244,066
Workmen's comp...	.....	63,797 40,855
Fidelity	.....	1,079,830 87,799
Surety	.....	2,202,637 186,354
Plate glass	.....	31,026 11,408
Burglary and theft	.....	342,218 91,430
Auto prop. damage	.....	508,774 286,967
Auto collision	.....	55,082 18,205
Other P. D. and coll.	.....	74,463 10,095
Total	.....	\$ 6,970,012 \$ 1,795,075

Pacific Automobile —Assets, \$1,209,559; inc., \$75,747; unearned prem., \$436,148; loss res., \$62,700; lab. res., \$258,693; Experience:	Net Prems. Losses Pd.	.....
Accident	.....	\$ 1,209,559

Lester Named Manager of Arkansas Bureau

James M. Lester, who has been acting manager of the Arkansas Fire Prevention Bureau since the death of T. F. Baker in January, has now been appointed manager by the supervisory committee. Mr. Lester has been with the Arkansas bureau since 1929 and

PERSONALS

F. S. Brown, vice-president and secretary of Standard Accident, and Mrs. Brown announce the arrival of a boy, Thomas, their second child.

V. H. Bartholomew, Chicago manager of Standard Accident, was stricken with pneumonia just an hour after returning to his home from the regional meeting of his company's agents in Chicago last Wednesday. He was taken to the Illinois Central Hospital and responded to treatment so that the latest reports are favorable. Mr. Bartholomew had been suffering from a cold but insisted on taking his part in the regional meeting. He has a winter home in Clearwater, Fla., and he had been there for a time in January. He had planned to return in March and as soon as he is able to travel it is quite likely he will go there to recuperate.

Harold L. Bredberg, vice president National Service & Appraisal company, Chicago, has been elected a director. Mr. Bredberg has been with the National Service since 1933, for the last three years as vice-president. He is very active in association work, being treasurer of the Chicago Burglary & Plate Glass Association, membership chairman of the Casualty Underwriters Association in Chicago. He is past treasurer and director of the Chicago Accident & Health Association.

has been assistant manager since 1940 until the death of Mr. Baker. He had previously been with the Georgia Inspection & Rating Bureau in Atlanta.

Virginia Bill Passes House

RICHMOND—The bill permitting the writing of personal property floater policies in Virginia has passed the house and is due for action in the senate this week. There was no opposition in the house.

DEATHS

A well known figure in Montreal insurance circles for nearly half a century, **John Emo**, 78, secretary and general manager of Globe Indemnity of Canada, died at his home in Notre Dame de Grace.

Mr. Emo joined Canadian Railway Accident in Ottawa. He became secretary and general manager of the company and remained when it was taken over by Liverpool & London & Globe. When the company changed its name to Globe Indemnity of Canada he remained as secretary and general manager. Mr. Emo retired from active business in 1923 but remained as a director of Liverpool-Montreal, a subsidiary of L. & L. & G. He was at one time president of the Casualty Underwriters Association, a predecessor of the Canadian Underwriters Association.

Reginald Thompson, claims attorney of Hartford Accident in Portland, Ore., for nearly 20 years, died at his home there following an extended illness.

New Merchant Marine Policy

London Lloyds has announced a new type of policy for officers of the merchant marine of the British Empire and its allies. It pays the equivalent of six months' salary in the event of death by accident or war and is effective ashore as well as at sea. A supplementary benefit is the payment of a sum equivalent to two years' premiums in the event of total loss of the vessel on which the insured is serving. The premium is one day's pay a month. The policy is being issued in collaboration with six leading professional organizations of the merchant marine.

R. W. Chandler, resident secretary of American Motorists and Lumbermen's Mutual Casualty, is confined to a San Francisco hospital by illness.

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Safety Work Must Pierce Individual's Consciousness

(CONTINUED FROM PAGE 10)

needed to support the national war effort in one way or another.

"Nor is the story of interference with war production fully told without mention of accidents in the home where, during the past year, 33,000 lives were snuffed out, more than 4,800,000 persons were injured, and immense damage was done to property.

The remedy, basically, is not difficult, technical, complicated, or costly, Mr. Randall said, but because the faults or causes of accidents are largely personal,



JESSE W. RANDALL

the remedy must be one of education, supervision, and enforcement of instruction.

Only two kinds of circumstances ever cause an accident of any kind whether in industry, on the highways, in the homes or elsewhere, Mr. Randall said. No person ever is hurt and no property damage ever occurs unless some person does something unsafely or a mechanical or physical hazard exists. These facts should be applied to individual cases. For instance, the employee who was struck down by a locomotive while crossing railroad tracks on his way home from work had climbed a 6-foot high fence in order to save the one-half minute of time that it would have taken for him to go to the guarded regular crossing; he had violated common-sense safe practice rules in this way daily for several years and more than 3,000 times, and no one had ever warned or stopped him.

Danger of Repetition

A person violates a safe practice rule in the average case more than 300 times before he is hurt as a consequence, and such frequent unsafe acts provide a splendid opportunity for someone to do something about it, before the injury finally occurs.

Accidents are caused by tangible and visible circumstances and conditions that are subject to check, control and prevention.

A few weeks ago in a private residence the head of the family fell down

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the back porch stairs and fractured his spine. The top step had a loose and creaking board that had been defective for more than two years. It had been a standing joke for the injured man to say, "I'll have to fix that board one of these long winter evenings." He and others had narrowly escaped injury actually hundreds of times. The head of the family was a draftsman in a vital war production industry, which has now lost his services forever. His family is now dependent.

Cigar Smoking Incident

A filling station attendant who was an inveterate cigar smoker, almost always kept a lighted cigar in his mouth when filling gasoline tanks. He knew that the danger of an explosion existed but claimed that he always averted his head so that the hot ashes could not drop into the open fill pipe and said that he had been doing the same thing for several years and nothing had happened yet. One day a current of air blew the escaping fumes close to the cigar as the attendant bent to screw on the fill cap, a violent explosion and fire occurred,

the car was demolished and several persons were seriously injured.

A worker in a chemical plant for many months and many times each day was required to fill 50-gallon drums with a highly corrosive liquid from a swinging spout. The plant rules required him to wear a face shield and gloves. These rules were never followed. One day a tank overflowed just as he was peering into the bung hole to see if it were full. The man inhaled the fumes, was horribly burned internally and externally and later died. It was estimated that he had exposed himself unnecessarily in this way over 7,000 times.

Lackadaisical Attitudes

Each individual should put his foot down firmly and make every effort to stamp out lackadaisical attitude which too often are addressed to safety measures.

The stumbling, fumbling, chance-taking and wasteful practices that we have too long condoned must be stopped wherever they occur.

"We should learn to regard the unsafe use of gasoline in the kitchen, the

cluttering up of home stairways, the failure of workmen to wear protective apparel in the plants, the speeding and passing of cars on grades and curves and other similar violations of safe practice, not as personal privileges that are to be paid for only in the event of an accident but as offenses against society and as acts that interfere seriously with our national security program."

A foreman who was engaged in erecting a chimney for the power house of a powder plant, was struck in the eye by a piece of flying wire that he had just cut off with a pair of pliers. He lost 10 days, returned to work, suffered a set-back, and now the doctors have decided that he will lose the sight of his injured eye completely and will be a total loss to defense production.

Work on the power house was delayed, a new foreman had to be trained, a group of workers lost the guidance of their leader—all because one man stood with his face directly in front of the wire which he was cutting.

Hand Is Amputated

A yard workman in a plant manufacturing electrical appliances for defense purposes, climbed between two moving coal cars, fell, and hung on to the steel rail while the wheels passed over and

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amputated one hand. This worker is a total loss to the defense industry, all because the foreman failed to make sure that all men were clear before ordering the cars to be moved.

A skilled workman in a shipyard that was producing 100 percent capacity for the Navy, sustained a serious eye injury while driving out a steel wedge with a sledge hammer. The wedge was buried and the workman had his goggles in his pocket instead of over his eyes. The foreman wasn't at all enthusiastic about the need for wearing goggles. Work on the valve which this injured workman was machining, was seriously delayed.

All because a crane operator, in violation of a common-sense safe-practice rule, dumped a pile of sheared plates so as to obstruct an aisleway, two workmen stumbled over the pile and were injured, damage occurred to vital parts of an engine, and serious delay in production was created in an airplane plant.

Painter Is Asphyxiated

A painter who was working in one of the compartments of a submarine under construction, suffered from asphyxiation and nearly lost his life because he disregarded the rule to operate a portable exhaust blower while painting in confined spaces. Here, again, much delay occurred in completing the task, in addition to the loss of services of the injured workman.

On an island base job, more than 20 experienced men whose war production services were in great demand, were thrown bodily out of a truck in which they were being transported to work. They were packed in like sardines in a can, standing up with nothing to hold on to, and the truck was being driven at too high speed over a rough road. One man was killed, four were seriously injured, five suffered bruises and shock, and all of them lost time. The truck was demolished and the work the men were being depended on to do was delayed.

In another powder-manufacturing plant a scaffold collapsed. Two experienced carpenters were killed. They had removed part of the scaffolding and crossbracing from the completed concrete towers. The unbraced structure twisted under the weight of the men and fell with them about 25 feet to the ground.

Simple Oversight

The safety engineer and job superintendent were nearby, in fact both had just spoken to the two carpenters about the work of removing the scaffold, but neither had recognized the necessity of instructing the carpenters how to do the job safely. Thus the work of war production lost the services of two skilled workmen forever, because of a simple oversight.

Accident injury to non-defense workers is also a loss to war production. The wheels of normal business must continue to turn in order that raw materials may be forthcoming, that housing and transportation may be maintained, and that food, shelter, power, and light may be provided. Insurance benefits must continue to flow.

Mr. Randall pointed out that there has been important progress in accident prevention work since the days of the previous war.

In 1917, industrial accident prevention, as an activity subject to rules and definitions, and as a science, did not exist. Dependence for safety, then, was placed almost wholly on eliminating, guarding, or correcting hazards of a mechanical or physical nature.

Unsafe Practices of Persons

Today such hazards are corrected as a matter of routine good practice, but greater emphasis is placed on correcting

the unsafe practices of persons, inasmuch as research has demonstrated that these directly cause more than 75 percent of all accidents.

Causes of accidents were not known 20 years ago, nor was there a practical method of analyzing accidents to determine the essential facts. Causes have since been identified, and methods of analysis have been perfected.

The relation of the accident to the injury, and to the other factors in the sequence of events that lead to an injury, was not understood in 1917. Today it is known that an accident is merely one of five such factors.

Knowledge of these formerly unrecognized factors makes possible better analysis of accidents than in 1917. Today it is known that 98 percent of all accidents are of preventable types, that injuries are caused only by accidents, and that accidents are caused, in turn, only by unsafe acts or mechanical hazards. This being true, efforts are directed towards finding the specific acts and hazards that cause the most frequently occurring accidents, thus simplifying accident-prevention work and permitting effective concentration.

Indirect Costs Now Known

Indirect costs of accidents were not fully known or appreciated in 1917, and therefore the most powerful monetary incentive to safety work was lacking. Today, it is known that the direct cost of an accident, as represented by the claim and hospital expenses, is but one-fifth of the total cost. It is also known that accidents seriously interfere with production for national security.

As a result of research, it is now known that safe plants are efficient plants, and that unsafe plants are ineffi-

cient. It has thus been definitely established that safety and efficiency in production go hand in hand.

In 1917 it had not yet been shown that a major or serious accident is the result of several hundred other accidents, caused by the same hazardous conditions or acts, some of which cause minor injuries and one of which results seriously. This knowledge now makes it possible to attack the problem of prevention with assurance that there is a wide field for corrective efforts.

Although employers in 1917 were as desirous of safeguarding their employees as they are at present, it is nevertheless true that there is now a keener realization of the need for activity on the part of employers, and a far greater amount of sympathetic and effective action by employers.

Safety, per se, no longer needs to be "sold." It is today often "demanded" by employers.

Misdirected and Ineffective

Twenty years ago, a great deal of industrial safety work was misdirected and ineffective. Appreciation of values was lacking. In planning safety work the selection of activities was made largely on judgment. The program generally included such items as machine guarding, improvement of housekeeping, attention to lighting and sanitation, first aid and hospitalization, educational work, committees, safety posters, contests, etc., maintenance of accident records.

All of these activities were defensible, but they represent an arbitrary selection of activities based on precedent but not on facts. Analysis to determine outstanding hazards was not included, nor were the essential facts of accident occurrence necessary to the work of carry-

ing on a safety program, based on such items. Safety programs of this kind were applied to all industrial plants or operations, regardless of size, characteristics, or specific individual hazards.

Such a program is general in nature and ineffective in results.

The present day brand of accident prevention begins with the determination, by analysis, of essential facts. These facts invariably are of two kinds; namely, specific unsafe practices of persons, and mechanical or physical hazards.

From these facts a selection is then made of those representing the outstanding conditions that are in need of first attention, and which, if corrected, should have the greatest effect on reducing loss experience.

Facts of Individual Case

Having selected outstanding hazards of a specific nature, corrective action is adapted to the facts of the individual case. Equal emphasis is not placed, as in 1917, on all phases of the safety program. Instead, the correction of the selected hazards in the simplest and quickest way, dominates all other activity.

Employers only recently began to realize that they could control unsafe employee performance just as readily as they can control faults that result in

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poor or costly production. A perfect analogy exists between the executive and supervisory control of accidents on the one hand, and sales and production on the other.

Thus the method of determining essential accident facts and the method of controlling accident occurrence are vastly different and markedly better today than ever before.

Prevention Groups' Officers to Meet

The officers' conference of state fire prevention associations, which will be held in Chicago March 2-3, has an extensive program. R. E. Vernor, head of the fire prevention department of the Western Actuarial Bureau, is conference chairman.

Maj. J. W. Laiser of the 6th corps area staff will discuss civilian defense background, including national, state and local setups, relation of military to civilian defense, and volunteer services. H. K. Rogers, J. Burr Taylor, and Mr. Vernor, all of the Western Actuarial Bureau, will handle "The Control Post and How It Operates."

Monday afternoon Mr. Vernor will discuss public education and raid precautions in schools and hospitals and Mr. Rogers incendiary agents, fire problems and blackouts.

On Tuesday K. H. Parker, assistant manager Western Actuarial Bureau, will talk on "Fire Insurance War Time Services Thus Far;" and Mr. Vernor, "Field Men's Activities to Date, Individual and Association" and possible association activities.

At the Tuesday luncheon Mr. Taylor will review lessons from fires in defense industries, and Tuesday afternoon there will be a round table discussion, led by Mr. Vernor, on town inspections in war time.

Standard Accident Chicago Meeting Has Live Topics

(CONTINUED FROM PAGE 21)

tions to carrying fidelity bonds. The most common one is that the prospect's employees have been with him for years, all are honest and all are trusted. He said that the best answer to this is: "Yes, and when we sell you a blanket bond, we will assure you that they have been honest all their lives and we will bet that they will stay honest." He said that practically every serious loss ever paid by a surety company has been on a trusted employee. Rarely does a professional criminal go from one embezzlement to another and an untried and untrusted employee cannot get away with much. Mr. Martin said that if the audience on one side of the room would close their eyes and reopen them after the people on the other side of the room, by some magic, had been replaced with embezzlers on whom surety companies have paid losses, the embezzlers would look just like the former spectators, with one exception. The difference is that they would probably be better dressed, as most embezzlers live beyond their means.

Another common objection is that the prospect has a "foolproof," complicated accounting and checking system, employs outside auditors and could not suffer a loss. Mr. Martin said that there is no such thing as a perfect system, because it depends upon its operators and collusion of key employees can beat any system. He cited the case of the Ford Motor Company, which lost from \$3,000,000 to \$5,000,000 in automobile parts by collusion between inside employees and watchmen, despite the elaborate checking and guarding system. Other employers say that there is nothing to steal, perhaps that the business is not making any money. A dishonest employee, Mr. Martin said, may be the rea-

son why the firm is not showing a profit. Employers think of cash or securities as the target of embezzlers, not realizing that these items account for only about 50 percent of dishonesty losses. Theft of merchandise and misuse of the employer's credit facilities play an equal role in defalcations.

FINANCIAL STATEMENT

Mr. Kirk reviewed the financial statement of Standard Accident, pointing out the strong liquid position of the company. He said that prior to 1929 many casualty executives held to the theory that the business should be operated at an underwriting loss, money being made on investments. The stock market crash exploded that theory and Mr. Kirk said that he and other investment officers of insurance companies will be entirely satisfied if they can keep from losing money on investments. As long as human beings run insurance companies, no one can be certain that there will be no loss from bad investments, although this loss can be reduced by setting high standards and employing good investment men who will study the situation carefully and have the courage to sell and take a loss promptly if needed.

Chief Cause of Investment Losses

The most important cause of investment losses, Mr. Kirk said, is the necessity of selling securities at the wrong time. The casualty business has its ups and downs with general business and, at the downward swing of the business cycle, losses accumulated from previous years are very likely to compel the company to pay out more than its premium income, which is cut by the declining payrolls of that year. At this stage, the market value of securities is also going down, so the only way a casualty company can avoid investment losses which hurt is to maintain an ample liquid position. Standard Accident, accordingly, has set up a primary reserve, in very liquid form, greater than the largest amount the company has ever had to take from its investments in a single year. A large proportion of this primary reserve is in high grade short term commercial paper, which the company has found highly satisfactory.

Mr. Kirk also pointed out that a relatively large amount of operating cash is needed to cover running expenses, as the company must disburse money every day, while premium balances are paid at the end of the month. The average investment return, 1.3 percent, is small, Mr. Kirk said, but this is the price paid for an excellent liquid portfolio. Since no one knows whether 1942, 1943, 1944 or any other year will be the one in which the company will need additional liquid assets to meet an excess of outgo over income, the only safe procedure is to keep this position all the time.

Comprehensive Liability

Mr. Warnica showed a slide film outlining the features of the comprehensive general liability policy, including its coverage, completion of the survey, method of premium determination, optional coverages, and advantages to agent and insured. He emphasized the importance of the survey and urged agents not to ask that it be completed in the home or branch office. Correct and usable information can be obtained only by the local agent on the scene, he said.

In answer to a question, Mr. Warnica pointed out that the survey is not part of the policy and that incorrect information in the survey merely means an underwriting mistake, not affecting the coverage of the assured.

Accident and Health

Mr. Huntington explained the coverage of accident and health policies under war conditions. He said that civilians are completely covered within the territorial limits of the policy, usually the United States and Canada, including loss from shelling, bombing or incendiary fire. Persons serving in civilian defense

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capacities or as auxiliary policemen are not considered in the armed services and are fully covered. There is no coverage at all while the assured is in military or naval service in time of war. Mr. Huntington said that an agent should advise any clients going into service to terminate their accident policies. If an assured is covered under an old liberal form, no longer written, or if the agent is afraid that the form may be withdrawn or modified by the time the assured returns to civilian life, the policy can be suspended on application to the company. Under these circumstances, the policy will be reissued or revived under the old form after the war, but the assured must produce evidence of insurance.

Mr. Huntington also reviewed several of the more common policies. He said the death and dismemberment policy is a good item to offer a prospect who is interested but cannot be sold immediately for financial or other reasons. He suggested agents propose it as a temporary coverage until the prospect is in a position to protect himself completely.

Hospitalization a Problem

Hospitalization experience on individual policies has been very bad. Mr. Huntington said that the company does not wish to withdraw them or raise rates, so it will attempt to meet the situation by strict underwriting.

Mr. Huntington announced a contest for the "50 Club," for which agents will qualify by writing 50 accident applications during the current year. Due to the lateness in announcing it in the Chicago area, he said that agents in this territory can qualify by writing 44 applications, provided 16 are written by June 30. He closed his talk with a "True-False" quiz on accident and health policies.

A sound motion picture, "The Face in the Mirror," illustrating good and bad salesmen, closed the session.

Among the guests was Wheaton Williams, vice-president Fred L. Gray Company, Minneapolis general agent of Standard Accident. He will conduct similar meetings in his territory later in the year.

State Farm Goes On and On and On

(CONTINUED FROM PAGE 20)

his situation but he said the company is going to insist on getting competitive estimates. He urged the agents to cooperate in keeping the assured in good humor when these delays occur.

J. H. Parsons, conservation director, gave an inspirational talk. He said that last year 91,176 reinstatements were recorded which was an increase of 200 percent over the previous year. He suggested the slogan, "Sell, Serve and Save."

G. E. Mecherle, secretary of State Farm Mutual, introduced Maurice H. Needham of the advertising agency handling the State Farm account. He spoke of the necessity of maintaining advertising during the war. He announced that State Farm's advertising will now appear in "Life" magazine. State Farm also uses Collier's, Saturday Evening Post, and Country Gentleman.

Session for Agents

The Tuesday morning meeting was occupied entirely with messages from producing forces. John A. Gronner, state director of Kansas, presided. George B. Kennard, state director of Washington, which was the first state to attain its quota in the company objective of having 1,000,000 cars insured by 1944 said that in his state in 1939 there were 7,043 automobiles insured in State Farm, whereas in 1941 there were 26,980.

H. E. Baumberger, state director of Virginia, praised his organization and introduced his various district agents. He told something about each men-

tioning their former occupations. Four had been with other insurance companies, four were farmers, one a chain store manager, one an assistant cashier in a bank, one a tobacco salesman, one a secretary at an agricultural college. In one county in Virginia, he said, 82 percent of the cars that are insured are insured in State Farm. Randall Weeks, local agent of Michigan, told of the importance of selling all lines.

W. G. Lumm, local agent in Oregon, emphasized the importance of selling the interview rather than the policy. He said that 90 percent of his sales are consummated in the evening at the prospect's home. During the day time he engages almost entirely in prospecting.

S. T. Jarrett of Colorado told about

selling life insurance to the farmers. He said that insurance men must instinctively like people, know farm problems and be able to talk the farmer's language. He must be content with many small policies.

Avoid Fear of Prospect

E. C. Hedlund of Minnesota said that the greatest impediment to success in insurance selling is fear, particularly fear of the prospect. There is need on the part of the agent of knowledge of insurance and a realization of the importance of his service.

Don J. Waterson, Illinois manager, told about selling fire insurance. He said he gets many prospects for fire insurance from automobile lists. He tries to get the prospect to bring out his present insurance policies and then

he looks over these for errors. Particularly if there is no extended coverage insurance he strongly recommends that procedure and it is very successful. He finds that 65 percent of those whose policies he examines do not have extended coverage.

At the final session Tuesday afternoon, Frank Stoner, state director of Missouri presided.

James E. Rutherford, general agent of Penn Mutual Life at Seattle and a trustee of the National Association of Life Underwriters, made a great hit in his talk, "The Steps in a Sale." Mr. Rutherford gave much the same talk that he gave last fall at the N.A.L.U. meeting in Cincinnati. A. W. Tompkins, agency vice-president, gave a talk on "Strategy in 1942" and G. J. Mecherle gave a closing message.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Effect of War Is Minnesota Theme

MINNEAPOLIS.—The Minnesota Association of Insurance Agents annual meeting here, March 10-11, will have the effect of the war on insurance as its underlying theme. The program will get under way at a luncheon on March 10, sponsored by First Bancredit Corporation. W. S. Kiesner, priorities division of the War Production Board, will speak. The second day's luncheon will be sponsored by the Surety Association of Minnesota. C. W. Stein, special agent Federal Bureau of Investigation, St. Paul, will discuss "War Begins at Home."

Special War Display

To add color to the program's wartime note, there will be on display a huge hemisphere showing the naval theater of war and the range of battle fleets from the various bases.

At the regular sessions Thomas G. Linnell, Minneapolis general agent, will discuss use and occupancy; R. H. Bancroft, Jr., St. Paul Fire & Marine, "Inland Marine Insurance"; C. L. Mehagan, regional manager Western Adjustment, "Insurable Values"; E. J. Devitt, assistant attorney-general of Minnesota, "The Legal Responsibility of the Agent"; and A. L. Kirkpatrick, insurance editor Chicago "Journal of Commerce," "As Seen by a Sideline Observer."

Nick Dekker, state agent Fidelity-Phenix, will lead a seminar on "Building a One Man Agency," assisted by a group of local agents including Fred G. Degen, Faribault; Guy Rolen, Milaca; George Parkos, New Prague; E. D. Billdeadeau, Grand Rapids, and Bradford Strom, Jackson. E. H. Luecke, superintendent of bonding and casualty production Fidelity & Casualty, will speak.

Insurance Club Holds Dinner

The annual dinner of the Insurance Club of Minneapolis will be held March 10 with J. D. Coon, prosecuting attorney of Sioux Falls, S. D., as speaker.

L. D. Engberg of St. Paul, president, will be in general charge of the meeting and will preside at the business sessions. The executive committee will meet the morning of March 10. On the evening of March 9, there will be a joint meeting of the educational committee and lecturers with Chairman Howard Williams of Mankato presiding.

Iowa Federation Divided on Renewal Certificates

DES MOINES.—Directors of the Insurance Federation of Iowa held an enthusiastic meeting here at which plans were laid for strengthening the organization, with representation from every county in the state. It is planned to hold another directors meeting prior to the annual meeting Oct. 19 at which officers will be elected for two years.

B. C. Hopkins, federation president and former president of the Iowa Association of Insurance Agents, presided and Will H. Harrison, Iowa state agent of National Fire, acted as secretary in the absence of Henry Haynes.

To increase membership, a resolution was adopted waiving dues for the present fiscal year because of the war emergency.

Opposition was voiced to governmental insurance for crop loans, hail on growing crops and war risks insurance,

although no definite recommendations were made.

Other matters up for discussion included the agents qualification law and continuation certificates for fire and casualty policies. There was a division of opinion on renewal certificates, which have been approved by the Iowa department. It was agreed that the plan effects a desirable saving, but opponents contended the plan creates a situation of renewing policies without knowing the condition of the property, whether any changes have been made, or additions needed to bring the coverage up to date.

The Iowa Association of Insurance Agents sponsored an agents qualification bill in the last legislature, but it failed to pass either house. It was suggested that such legislation acceptable to all types of carriers could be cleared through the federation.

Ohio Agent Regains License After 30-Day Suspension

Howard C. Williams of Cleveland, whose license was revoked in January by the Ohio department, has been reinstated in good standing at the end of a 30-day suspension. This was in accordance with the superintendent's ruling that licensing would be reconsidered after one month. Withdrawal of the license was based upon an automobile finance arrangement that had been approved by Mr. Williams' attorney but which was deemed a violation. Mr. Williams represents five companies and has been licensed in Cleveland 31 years.

New Michigan Lineup

LANSING, MICH.—In accordance with a new by-law adopted by the Michigan Association of Insurance Agents, the 16-member executive committee is being placed on a staggered term basis to secure greater continuity of policy. The new alignment on a term basis is as follows:

Three-year, D. T. Marantette, Detroit; F. L. Winter, Muskegon; H. W. Brady, Saginaw; W. G. McCune, Petoskey, and E. R. Moore, Port Huron.

Two-year, P. D. Worgess, Battle Creek; Lloyd Krueger, Niles; C. W. Dow, Flint; A. A. Smith, Lansing; J. P. Old, Sault Ste. Marie; H. D. Wilson, Grand Rapids.

One-year, G. W. Power, Traverse City; Fred Roper, Menominee; Harry King, Calumet; J. W. Mundus, Ann Arbor; Howard Huttenlocher, Pontiac. Mr. Huttenlocher is a new member, succeeding Maurice Thatcher, Pontiac, resigned.

Dinner for Field Men Speakers

MINNEAPOLIS.—Eleven field men who are putting on regional lecture courses for the Minnesota Association of Insurance Agents, will be guests of association officials at a dinner here March 9. The following spoke at meetings this week: Owatonna, Carl Johnson, Crum & Forster; Long Prairie, C. R. Bock, Royal-Liverpool group; Duluth, John McHale, New York Underwriters, and New Ulm, Paul Olinger, Connecticut Fire.

Michigan Educational Meetings

Meetings of the B.D.O. committee for Michigan with agent groups are being held in Battle Creek Feb. 25 and Kalamazoo Feb. 26 under direction of C. R. Beaver, Detroit F. & M., and E. E. Sademan, National Fire. Meetings will be held in Muskegon March 3 and St. Joseph and Lansing March 4. R. E.

Farrer and G. E. Kelly of Grand Rapids are co-chairmen for the Muskegon and St. Joseph meetings and R. L. Jennings will handle the Lansing session. Roger Billings, Detroit Fire & Marine, is general chairman.

W. W. Ayrault, Detroit, will preside at the meeting in Port Huron on March 10. The Upper Peninsula series will be held at Escanaba March 3, Iron Mountain March 4, Houghton March 5 and Marquette March 6.

Ohio Mutual Groups Elect

The Federation of Mutual Insurance Associations of Ohio at its annual meeting in Columbus elected Don Lackey, Lima, president; C. E. Warner, Covington, vice-president, and Wade H. Dettman, Tiffin, secretary-treasurer. The Ohio Mutual Tornado, Cyclone & Windstorm Insurance Association chose Clyde L. Lynn, West Liberty, president, and Paul Krauter, Bucyrus, secretary. Officers of the Ohio Mutual Reinsurance Bureau are: C. V. Campbell, Newark, president; W. G. Vandembark, Zanesville, vice-president, and W. C. Garber, Bellville, secretary-treasurer. J. Roth Crabbe, deputy superintendent of insurance, spoke.

Change Wis. Mid-Year Dates

MILWAUKEE—The dates of the mid-year meeting of the Wisconsin Association of Insurance Agents have been changed from April 16-17 to April 23-24. The convention will be held at the Schroeder hotel here.

The mid-year meeting will be entirely educational.

Plans are being formulated by the association for another short fire and casualty course at the University of Wisconsin in Madison July 19-25. Prof. E. A. Gaumnitz, insurance instructor School of Commerce, will again conduct the course with the cooperation of the association.

Two St. Paul Changes

ST. PAUL—Armand Harris, for several years associated with the Fitzhugh & Robert A. Burns Agency here, has established his own agency in the Pioneer building. He is an executive committee man of the Minnesota Association of Insurance Agents and for several years has been legislative committee chairman.

H. P. Nelson, who has been with the Ramsey County Insurance agency, has become associated with A. H. Bosshardt as the Bosshardt-Nelson agency, also in the Pioneer building.

Chaloner Talks to Buyers

MINNEAPOLIS—R. S. Chaloner, manager American Automobile, in a talk before the Insurance Buyers Association of Minnesota here, traced the evolution of automobile policy forms. He gave a detailed analysis of the comprehensive liability and property damage policy, the protection it affords and the cost.

Writing of Turkey Cover Is Getting Under Way

This is the time of year when turkey poulters are hatched and farmers and turkey raisers begin the process that will have the birds ready for the Thanksgiving and Christmas markets. Agents already are placing coverage.

Experience on the line was extremely bad in 1940 as a result of the Armistice Day storm that year in which many of the turkeys smothered. However, experience last year was satisfactory, and although some of the companies got out of the field in 1940, a number of carriers are offering the protection. They still are underwriting carefully, but the rates,

Short Form Policy Announced by "Uniform"

The Uniform Printing & Supply Co. has devised a short form policy that offers many important conservation possibilities. The companies have been addressed as follows:

"Fire insurance companies are interested in the use of a policy size 8½x22, folded to size 8½x11, instead of the traditional size, 8½x28, folded to 8½x14.

"In an effort to satisfy the growing demand for the short form policy, and to assist in conservation of paper, we contacted all insurance commissioners on Nov. 21, 1941, requesting approval of the short form policy for optional use. To date, 46 commissioners have approved the short form policy provided no change is made in the statutory typography of the form.

"Several advantages are afforded by the smaller policy, namely:

"1. A saving of approximately 25 percent of paper.

"2. A saving of from 15 to 20 percent in the cost of transporting policies from printer to insurance company.

"3. A saving in postage or express in distributing policies to the agency.

"4. A frequent saving in postage when mailing the policy to the assured. "The problem of the agent in storing the policies for several companies in a convenient manner will be lessened as pads of the shorter form policy could be stored in the ordinary lettersize file drawer.

"The policy would be the same length as the daily report, making it simple to jog the daily reports to the folded edge of the policy to insure perfect registration.

"Under the present long form policy, the agent is required to fill in date, city, and state, on the daily report as a separate operation.

"Under the short form policy, this could be copied to the daily report by use of carbon at the time the policy is written."

while higher than in 1940, are slightly under those used last year.

Several of the companies have arranged reinsurance between each other in order to avoid too heavy an extension of risk in any one location. This is regarded as a forward step. All the carriers have pretty generally pursued their own courses heretofore.

The companies are writing the cover either as a marine form or on the special form gotten out last year by the Farm Underwriters Association. The latter policy was based substantially on the marine form, and is in effect in the various states except Kansas and Wisconsin where the old farm form is available.

The special farm form takes a rate of 6 cents a bird for eight months coverage, 10 cents for one year. It protects against fire, lightning, tornado, windstorm, blizzard, and hail, including smothering as a direct result of these perils. There is a graduated scale of liability, depending on the age of the turkey, and a 10 percent deductible clause on each loss.

Business on turkeys is getting under way in Minnesota by stock and mutual companies. A rate of 5 cents a bird has been set up to Oct. 30 after which the rate increases gradually until it reaches 8 cents on Dec. 30. The 1941 rate averaged around 5 cents a bird.

F. G. Schley, manager of the Baldwin Insurance Agency, Waukesha, Wis., will be married to Miss Magna Werra this spring.

IN THE SOUTHERN STATES

Virginia Rate Cut of \$400,000 Ordered

RICHMOND.—Virginia fire rates have been reduced \$400,000 annually by the state corporation commission. The reduction, retroactive to Jan. 1, is the seventh since the state started regulating rates in 1928. The commission warns, however, that it is entirely possible that disturbed economic conditions due to the war may reverse the loss trend in future years.

The basic rate on frame class buildings was reduced 2 cents per \$100 in first-class cities and by 1 cent in second-class cities. The reduction applies to single and double occupancy houses and to tenement dwellings. Credits on brick mercantile buildings under fire protection have been increased from 20 to 30 percent. The credit on contents of brick class mercantile buildings is raised from 20 to 25 percent. Coverage on dwellings is being extended to out-buildings except barns, stables and greenhouses, provided the aggregate claim does not exceed 5 percent of the insurance or \$250, whichever is less.

A new system of rating filling stations will reduce premiums approximately \$16,000, it was estimated, while a new ruling on protected suburban zones will reduce premiums \$50,000.

Georgia Agents to Meet in Atlanta

ATLANTA—The Georgia Association of Insurance Agents will hold its annual convention here late in May, the executive committee decided at a conference here.

Consideration was given prospective legislative, propulsion of an educational program, continuation of the safety campaign, review of the recent cessation in licensing of General Motors dealers as agents for Motors Insurance Corporation, delinquent dues, and appointment of a committee to study the classification of the members for the purpose of assessing dues.

Ballot on Educational Parleys

It was decided to take a poll of the membership by mail on the desirability of regional study courses or a central short course school.

The legislative committee under the chairmanship of P. M. Lancaster, Sylvester, former president, held a special meeting. It recommended a measure which would definitely place the responsibility for the licensing of local agents

McGeachy Assumes Duties as Alabama Secretary

BIRMINGHAM, ALA.—L. A. McGeachy is now on the job as full time secretary of the Alabama Association of Insurance Agents. Temporarily he is located at 2028 North First avenue, here.

Mr. McGeachy was in the local agency business at Tampa, Fla., for 22 years before taking over his present duties. At one time he served as president of the Tampa Insurance Exchange, and has always been an active association worker. He is thoroughly acquainted with the problems of local agents and the intricacies of the insurance business.



L. A. McGeachy

New S. C. Official

L. G. Benjamin, Jr., the new insurance commissioner of South Carolina, is a resident of Darlington. He has been a member of the state legislature and he is conversant with insurance because for several years he has been a special representative of Jefferson Standard Life. He is also a lawyer.

Mr. Benjamin takes the place of Sam B. King, who had held office since 1928 and hence was one of the oldest commissioners of the land in point of service.



L. G. Benjamin, Jr.

in the hands of a special board, similar to the present real estate examining board. It was also held that some effort should be made to amend the code to make sure that countersignature of policies on Georgia property shall in fact be confined to bona fide, commission-remunerated local agents.

Urge Standard Ordinances

Sidney O. Smith, Gainesville, recommended that all local boards urge the adopting of the standard fire protection ordinance. Mr. Smith said that the insurance education project is the finest work organized agents can carry on, and that it might even become the answer to whether there shall be survival of the American agency system.

Manager Lon E. Sullivan reported 341 members and that an anticipated deficit may become a surplus by the end of the fiscal year on Aug. 31.

The recent decision of the Georgia insurance department, following an opinion by the attorney-general's office, to cease licensing General Motors dealers as Motors Insurance Corporation agents, was considered with much satisfaction.

The civilian defense educational sound movie, "Fighting the Fire Bomb," was shown.

Horace W. Cole, treasurer, who is ill, was unable to attend.

Baird Ledbetter Life Manager

The Ledbetter Insurance Company of Oklahoma City, local agency, has added a life department. Rollin Baird is manager of the new department. He was formerly Oklahoma general agent of Equitable Life of Iowa, where he was succeeded some months ago by John Brock. The Ledbetter agency represents the Aetna Life group for all lines.

Change in Patton Agency

Following the recent death of A. V. Patton of Jackson, Tenn., Mrs. A. V. Patton, who will continue to be associated with the agency, has announced that after March 1 Tom Patton and his son, Tom, Jr., will be associated with the agency and that Townsend & Townsend (Home Farm Insurance Agency) will be combined with it.

San Antonio Exchange Meets

SAN ANTONIO—Plans for the San Antonio Insurance Exchange's defense drive were outlined by Chairman L. C. Berry at a meeting here.

J. A. Brackney, Dallas, district manager Stock Company Association, outlined functions of his organization. As there are 180,000 HOLC accounts, the mechanical work is so great that agents must be patient and not expect commissions as soon as the policy is issued. He stated that these commissions are and

will continue to be paid at regular intervals.

Secretary F. F. Ludolph warned that agents must renew their licenses before March 1.

William Greaves discussed the new Texas automobile comprehensive policy. The new coverage for guests will eliminate many suits.

Dallas Agents Back Institute Plan

DALLAS—Directors of the Dallas Insurance Agents Association unanimously voted to support the American Institute for Property and Liability Underwriters and a check for \$55, representing 50 cents per member of the association, has been given to Cruger T. Smith, Dallas, who has agreed to contact all local exchanges in Texas asking for support.

Plans were under way for the establishing of a full four-year insurance course in Southern Methodist University when war was declared and this plan will be held up during the duration, President Charles R. Tucker of the Dallas association says.

Augusta Board Changes Name

AUGUSTA, GA.—The Augusta Board of Underwriters has voted to

change its name to the Augusta Board of Fire & Casualty Underwriters.

A poll of the defense activities of members showed that almost to the man each was engaged in some work of that nature.

The board voted to buy a print of the movie, "Fighting the Fire Bomb," and present it to the Augusta fire department, which will conduct daily showings to the public.

Virginia License Bill Amended

RICHMOND—The agents' license bill now before the Virginia house has been amended to provide for a temporary 90-day license without examination for the successor of an agent who dies. The bill is expected to pass this week.

NEWS BRIEFS

J. W. Oiphant, local agent, addressed the Chattanooga Association of Insurance Women on the "Personal Property Floater." The association will stage a "sacrifice dinner" March 17, proceeds to be invested in defense bonds.

Will S. Eberle has been appointed chairman of the fire prevention committee of the Oklahoma City chamber of commerce for the fourth consecutive term.

PACIFIC COAST AND MOUNTAIN

Montana Seeks to Exact Penalty for Alleged Reinsurance Violation

HELENA—Montana has sought to enforce a statutory \$500 penalty on Houston Fire & Casualty as an aftermath of letting insurance on the state liquor control board warehouse and stock here.

The complaint, filed in Lewis & Clark district court, alleged Houston F. & C., in reinsuring the \$610,000 risk, let 39 percent of it to a company not qualified to do business in the state. Under state law, policies on state property may be reinsured only with companies qualified in the state.

The suit was instituted by Attorney-General Bonner following an examination of reinsurance records of Houston F. & C.

Automobile Claims Discussed

PORTLAND, ORE.—The Portland Blanket Club at its February meeting discussed material damage automobile coverage, and more particularly the comprehensive features of the policy. Discussion leader was Fred Grom, Aetna Fire claim manager. He was introduced by John Latta, Jr., Fire Companies Adjustment Bureau. A number of borderline accidents were discussed and analyzed from the standpoint of policy wording. Mr. Grom was invited to continue his discussion at the meeting March 2. Secretary Don Grew presided in the absence of both President Fred Greer and Vice-president Tony DuBay.

Tax Talk in Seattle

SEATTLE.—Albert Moss, president Seattle chapter, Washington Society of Certified Accountants, discussed the tax situation before the King County Insurance Association. He said it is not possible for a local agency to set up a reserve for unearned commissions, that in virtually every instance it is necessary to report all commissions received during the calendar year as earnings. Most

insurance agencies report on a "cash" rather than accrual basis, he said.

Meeks Heads Toastmasters

Earl Meeks of the Union Insurance Agency of Seattle is the new president of the Toastmaster's Club. Tom Stern, audit supervisor of United Pacific, is vice-president; Howard Jones, Northwestern Mutual Fire, reelected secretary-treasurer; and Mel Smith, Northwestern Mutual, sergeant-at-arms. Retiring president is Justin Lee, Northwest Casualty.

Wickes to McCollister & Campbell

Percy E. Wickes, who has been with the J. W. Fancy & Co. agency in Spokane, has become special agent in eastern Washington for McCollister & Campbell, Seattle, general agents with headquarters at Seattle.

He has been in insurance more than 30 years. Before entering agency work in Spokane, he was in the field for Northwestern National, with headquarters at Boise, Idaho, for eight years.

He is establishing a branch office for McCollister & Campbell in the Empire State Building, Spokane.

Talk on O. L. & T. in Spokane

Paul Swift of the Swift Realty & Insurance Agency spoke on O. L. & T. at the Feb. 16 luncheon meeting of the Spokane Insurance Association. He outlined the coverage and exclusions and concluded by conducting a quiz on the coverage.

McAnally General Adjuster

J. D. McAnally has joined America Fore in Los Angeles as general adjuster. He has been for five years an adjuster

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Blanket Club Hears Crawford

Armstrong Crawford, manager of the casualty department of Gould & Gould, spoke at a dinner meeting of the Seattle Blanket Club.

Harold Baird, treasurer of United Pacific, will speak March 3 on "Companies' Financial Statements."

Al Dempsey, Massachusetts Bonding, was appointed chairman for the "employers' night," in May.

Coast Branches Are Moved

Fire Companies Adjustment Bureau has moved its Tucson, Ariz., branch office to 301-303 East Congress street. L. E. White is branch manager in charge.

The Vallejo, Cal., office has been moved to 710 Florida street, J. E. Marren being adjuster-in-charge.

The Marshfield, Ore., office has been moved to 310 American building. E. S. Nelson, branch manager, is in charge.

Seattle Office for Allstate

SEATTLE—Allstate, the Sears, Roebuck & Co. automobile carrier, is opening a branch office here to facilitate service and take care of increased business. The office will have a staff of 40 and Walter Truc, Jr., will manage. E. M. O'Donnell will be claim manager; C. E. Mallory, underwriting manager, and M. Votaba, accounting manager. Offices will be in the Dexter-Horton building.

Arthaud Grays Harbor President

Donald H. Arthaud of Aberdeen, Wash., has been reelected president of the Grays Harbor County Insurance Agents Association. Arthur A. Furnia, Montesano, is vice-president, and Mrs. D. C. Price, also of Montesano, secretary-treasurer.

Letter Contest in Los Angeles

LOS ANGELES.—At the meeting of the Insurance Exchange of Los Angeles in conjunction with the regional meeting of the California Association of Insurance Agents, President Robert J. White announced a letter contest for members on "How I Sell Board Fire Insurance."

Engle Is Forum Speaker

Harold M. Engle, earthquake construction engineer of the Pacific Board, addressed the Fire Underwriters Forum of San Francisco on air raid protection—public and private—as applied to the San Francisco Bay area.

NEWS BRIEFS

The Insurance Women of Seattle celebrated the sixth anniversary of the organization and initiated new officers. Dean Rohrdanz is president.

Milo Milcox, Northwestern Mutual Fire, Seattle, has been elected president of the Mercer Island Community Club, succeeding George W. Clarke of Clarke & Clarke, insurance attorneys.

EAST

Tells of Insurance in China

NEWARK—"Excellent opportunities throughout the far east for young men representing American business firms will be one aftermath of this country's victory in the present war," George E. Adams told the Life Cashiers Association of Newark in a talk on his experiences in the years he spent in China. Mr. Adams is now cashier of the home office ordinary agency of the Prudential in Newark, N. J. He was in charge of the American Foreign Insurance Association branch office in Shanghai, 1936-1939.

"Insurance dealings with the Chinese."

Mr. Adams said, "are on a peculiar basis. The Chairman expects a discount, a percentage off, a little 'squeeze' and then a final 10 percent to gain face. To allow for these rebates all premiums are double.

"It is necessary to send premium receipts countersigned before receiving the money. Otherwise the Chinaman would believe you did not trust him. However, payments are always made."

Fire Marshal Department Shifts

BOSTON—Lieut. Daniel A. Murphy of the state police has been appointed acting chief inspector of the Massachusetts fire marshal's office. George O. Mansfield, former chief inspector, becomes fire marshal of the Charlestown navy yard, with the rank of lieutenant commander.

Blackall to Speak in N. J.

Commissioner Blackall of Connecticut will address the annual meeting of the New Jersey Association of Insurance Agents March 19 in Newark.

E. E. Agger, new New Jersey commissioner, also will speak.

Mass. Meeting Set for Oct. 20-21

The annual meeting of the Massachusetts Association of Insurance Agents has been set for Oct. 20-21 in Worcester.

Fireworks Banned in Mass.

No permits for the sale or use of fireworks in Massachusetts to celebrate the Fourth of July will be granted, as result of orders from State Fire Marshal Garrity, who has notified all police chiefs to inform local dealers not to stock up with supplies.

Vice-president Lester S. Harvey of New Hampshire Fire, addressed the Hillsboro county division of the New Hampshire Insurance Women's League in Manchester on various coverages under fire insurance contracts.

CANADIAN

Big Fire Rate Reduction in Prairie Provinces

The Western Canada Insurance Underwriters Association has put a reduced fire rate schedule in force in Alberta, Manitoba and Saskatchewan, reductions running as great as 45 percent in some classes. With a few exceptions, mercantiles have been made eligible for three year coverage at two and one-half annual premiums and all private dwellings now come under the term rule, even if exposed by a mercantile. The list of risks eligible for coinsurance credits has been enlarged.

The 45 percent reduction is on banks, office buildings, city and town halls, clubs other than seasonal, courthouses, public libraries, entertainment, community and lodge halls, exhibition and fair buildings, amusement parks, fire and police stations, jails, public utilities, light and power plants, rinks, theaters and motion picture houses and contents in all these buildings. Almost all other classes are reduced from 10 to 40 percent.

No Sabotage Losses in Ontario

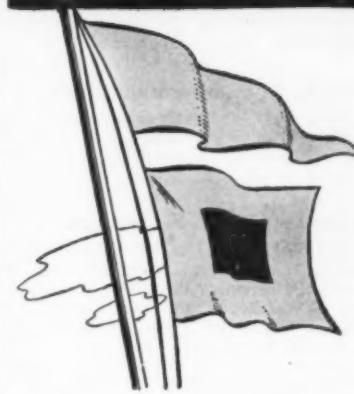
TORONTO—There was no known cause of sabotage or attempted sabotage by fire or explosion in any Ontario war industry in 1941, Ontario Fire Marshal Scott states.

The year showed an increase of about 20 percent in the fire loss, less than the estimated 30 percent increase in industrial production in the year.

Require New Valuations

VANCOUVER—The British Columbia Underwriters Association has announced that because of the marked increase in construction and replacement

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costs, all statements of values filed for calculation of average rates for blanket insurance will expire automatically 12 months after inception. New statements are required thereafter to reestablish an average rate, and the new regulation applies to all blanket coverage regardless of the term at which it is written. Other Pacific Coast territories permit such values and average rates to stand for an 18-month period ordinarily.

New N. Y. Underwriters Chief

New York Underwriters has appointed Rupert H. Campion as manager for Canada to succeed H. A. Joselin, who died recently.

Announce P. P. F. Changes

WINNIPEG—The Personal Property Floater Insurance Conference has divided the territory into two sections, the city of Winnipeg and the remainder of the provinces of Manitoba, Saskatchewan and Alberta.

The loadings for the first and second \$5,000 are changed to 75 cents and 60 cents in Territory 1 and 60 cents and 50 cents in Territory 2.

cents in Territory 2. Scheduled jewelry rates have been reduced and coverage on unscheduled jewelry, watches and furs outside of the principal residence has been increased to \$500.

New President of Canadian Fire

C. S. Riley has been appointed president and managing director of Canadian Fire of Winnipeg to succeed his father, R. T. Riley, founder of the company, who retired from active management some years ago. He now becomes honorary chairman of the board.

A. L. Denison has been appointed vice-president and general manager.

Matson Royal-Liverpool Manager

R. Forster Smith has retired as manager for Canada of the Royal-Liverpool group as of March 31. He is to be succeeded by James Matson, now assistant manager. P. M. May will continue as assistant manager, and H. W. Bell, now an assistant secretary, has been appointed assistant manager as of April 1. G. V. Beveridge and J. W. Dooley will continue as assistant secretaries.

ture and military and naval equipment. The limited form covers only assured's personal effects. The broad form is practically an all risks type of coverage.

is dealing with the garage. Insurance company patronage is still valued by garages and repair shops and they will do their best to keep an insurance company satisfied.

MOTOR

Old Cars Are Being Insured

Agents report that owners of older cars are quite receptive these days to automobile insurance solicitation. One agent, for instance, told of an owner of a 1936 car that voluntarily went to the agent's office and ordered full coverage plus the medical expense endorsement. He said that his car had become a very precious possession to him and he wanted to have all the insurance that was available.

A sound and effective appeal for insurance is that an uninsured car owner is likely to encounter serious difficulties in getting repairs made and he stands a much better chance if he is insured and the insurance company is the one that

Reduced Car Operation Too New to Affect Rates

One thing agents now are running into with assured on automobile insurance is that those who have cut down radically on their driving to conserve tires and the car would like to have a lower rate on their car insurance. As time goes on, this pressure from assured probably will increase.

However, there is little the companies can properly do at the present time. It is extremely uncertain how long the present curtailment of cars and tires will last. While some reduction in exposure may result from the situation, offsetting factors include doubling up, deterioration of equipment, increased costs of repairs, etc. If companies' experience does improve there will eventually be a reflection in the rate.

Another trouble is that rates have been too low, and experience still is not particularly good in relation to premiums taken in.

MARINE INSURANCE NEWS

Fire Association Advances Two

Directors of Fire Association have elected Thomas S. Deering, who has been in charge of marine and inland marine affairs, as marine vice-president. Mr. Deering originally established this department in 1936 to provide direct marine facilities to the agents of Lumbermen's, Reliance and Philadelphia National, affiliates of Fire Association. The following year, when Fire Association's marine general agency with Appleton & Cox was discontinued, all marine activities were consolidated at Philadelphia under Mr. Deering's direction.

Mr. Deering has long been identified with marine affairs, being formerly associated with the marine department of Niagara Fire and Fireman's Fund.

With the election of Mr. Deering, George Inselman, formerly marine general agent, was elected marine secretary, assuming certain administrative duties heretofore discharged by Mr. Deering at head office in Philadelphia. Mr. Inselman, before joining Fire Association, was for many years with British & Foreign in New York.

Heavy Loss of Life in O. River Crash

CINCINNATI—Sixteen persons including three women, all members of the crew, were drowned when the wooden stern wheel towboat G. W. McBride, owned by the Ohio River Company, was caught in the swirling current, and struck a pier of the L. & N. Railroad bridge at Cincinnati in the darkness early last Sunday. The towboat, which broke up and sank within a few minutes was insured for \$45,000 although its replacement value was perhaps twice that amount, the coverage having been placed through the Federal, according to Brian Thompson of Nare, Gibbs & Co., river marine insurance specialists. While the several coal barges in tow all broke away, they and their contents were all recovered with only minor damage.

"The exact cause of the accident may never be determined," Mr. Thompson said, "because both the master and pilot of the vessel were drowned and none of five survivors know just what happened." Divers have been trying to find their way into the wreckage and U. S. agents are probing the disaster, according to Capt. B. I. Patterson of

the Bureau of Marine inspection. Captain Patterson further stated that the manner in which the McBride hit the pier would have wrecked the boat even if it had a steel hull. It was one of the last of the large wooden towboats. The vessel which was some 137 feet long and had passed a federal inspection only a month ago has already been officially abandoned which leaves the job of clearing the wreck and any salvage to the government engineers. Because of heavy river traffic, physical replacement of the McBride will be difficult even though full payment of the loss is already authorized, it is understood.

While compensation losses may come under the admiralty act, it is believed that beneficiaries may elect to apply under state laws. Some of those aboard had group life insurance with Equitable Society, although reports indicate that not all on board had the group insurance. The loss of life was one of the largest on the inland rivers in many years. The compensation line was handled by Marsh & McLennan.

Companies Are Not Pushing Officers' Floater Cover

The suggestion has been made that the officers' floater policy, issued in connection with a scheduled property floater, should be modified to the extent of excluding losses while outside continental United States, at least in areas where active fighting is going on. The floater now covers personal effects of officers "within or in transit between continental United States and its insular possessions, or government bases, Panama Canal Zone and Canada, British North American possessions and Haiti." It excludes war risk, and losses would be extremely difficult, if not impossible, to adjust in case they occur in places like the Philippines.

The floater is not being pushed by companies generally, although they made some effort to secure the business last year. The broad form, which is practically all risks and which is for officers and personnel of the armed services and diplomatic service, covers personal effects of assured or dependent members of his family, including household furni-



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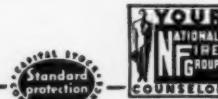
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